

## **Addendum to Analysis of Child Support Issues**

Submitted to the  
**2007 Washington State Child Support Work Group**

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### **Section One: Executive Summary: Seeking Fair Solutions**

This addendum is intended to update the Analysis of Child Support Issues issued to the Washington State Child Support Work Group on January 5, 2008. It includes additional information from six important historical studies: Betson (1990), Lazear and Michael (1988), Garfinkel (1988), Williams (1987), Turchi (1983) and Eden (1977). Also included is information from over 40 other sources (see references for complete list).

Five areas in particular are addressed in greater detail:

- First, cases studies are presented of a homeless dad and a million dollar mom to show how children are harmed when artificially high per capita estimates are used to place a child's need for financial support above a child's need for emotional support.
- Second, more information is provided on the central issue being debated, whether child cost estimates should be based upon marginal or per capita methods. We provide evidence that per capita methods overstate child costs by about 50%. This is significant because the Betson Rothbarth method is in fact a per capita method.
- Third is a more detailed analysis from ten different studies on the rate of change of child costs over the past 47 years. These studies show there has been no significant change in the percent of Economic Table child costs to total costs in the past 47 years. Thus, inflation has no effect on the ratio of child costs to total family costs.
- Fourth is greater detail on the role of per capita and marginal child cost estimates in the historical evolution of the Washington State Economic Table. This detailed account confirms that Washington State never adopted the Williams Income Shares model as has been falsely claimed by PSI. Instead, the current Washington Table is based upon a complex series of compromises between the USDA per capita method used to create the 1982 Judges Table and prior marginal methods.
- Fifth, we present a detailed critique of the Betson Rothbarth method which provides clear evidence that the reason Betson was forced to delete over 11,000 "incomplete responding" intact families from his analysis was to hide the fact that there is no consistent relationship between spending on adult clothing and spending on children. We also present a list of studies from 24 PHD Economists who disagree with Betson and/or have presented results substantially different from (and much lower than) Betson. These studies confirm that **the Betson Rothbarth method is NOT a lower bound**. A comparison of 8 marginal estimates to 3 per capita estimates confirms that Betson's per capita methods greater overstate child costs. .

This Addendum confirms that Betson's estimates are greater than the current Economic Table rates not due to any increase in the ratio of child costs to total costs, but rather because Betson's methods represent a radical shift away from marginal methods to a "per capita" method. This shift artificially raises child cost estimates even though there has been no change in the underlying data. Thus, the issue faced by the Washington State Child Support Work Group is not a debate between Income Shares versus Cost Shares models as the historical record confirms that the Economic Table has always been a compromise between these two models. Nor is the issue about the Rothbarth method or the Engel method as both methods can be calculated in either a marginal or a per capita way. Instead, the debate is, and has always been, a debate between those who advocate for "per capita" estimates of child costs and those who advocate for "marginal" estimates of child costs. Per capita estimates of total costs for one child have always ranged from 25% to 33%. Marginal estimates have always ranged from 12% to 20%. Thus marginal estimates are much less than per capita.

In the past, Child Support Commissions and the legislature have simply used a “split-the-difference compromise” between these 2 methods resulting in a total cost of about 22% and the current Economic Table cost (excluding 4% for child care and health care) of 18%. However, “splitting the difference” gives per capita estimates far more weight than they actually deserve. In fact, there is a mountain of evidence supporting the marginal assumption that children cost far less than adults and no evidence supporting the per capita assumption that children cost the same as adults.

The Washington State Child Support Act (RCW 26.19.001, 1988) states in part: ***The legislature intends, in establishing a child support schedule.. that the child support obligation should be equitably apportioned between the parents.*** Yet the history of the Economic Table, and Child Support policy practices confirms a pattern of extreme gender bias against fathers. Dr. Betson justifies this extreme gender bias under his theory that the “*child and the mother share the same sugar bowl.*” This theory assumes that the father has no role in the child’s life after divorce, other than being a check book. In fact, the practical result is that the child’s sugar bowl at the father’s house is left empty while the child’s sugar bowl at the mother’s house is filled to over flowing. But Dr. Betson’s extreme gender bias is simply one example of systematic gender bias. Other examples include the fact that children are typically awarded to the mother even though dozens of studies have confirmed that both parents are equally qualified to care for the child and that the children of divorce have a better outcome under Shared Parenting arrangements than when one parent is allowed to drive the other parent out of the child’s life. Yet another example is the fact that 200 dollars is spent enforcing a child’s right to financial support for every one dollar that is spent enforcing a child’s right to emotional support of retaining both parents.<sup>1</sup> How big is this problem? Surveys of divorced mothers confirm that over 30% actively prevent the child from spending time with the father.<sup>2</sup> Within two years of divorce, over 60% move the child away from the child’s father and from the child’s community. As a consequence, over half of children of divorce lose all contact with their fathers. It is important to note that over 90% of fathers who have significant time with their children voluntarily and consistently pay nearly all of their child support. By contrast, dads who were not permitted to spend time with their children paid child support less than half the time.<sup>3</sup>

Extreme gender bias is clearly evident in all of the following sections on how child costs have been determined in the past 30 years. Highly credible studies, based upon marginal methods have repeatedly confirming that one child costs 12% to 20% of total net income. Yet these studies have been ignored in favor of far less credible studies using “per capita” methods which claim that one child costs 25% to 33%. Thus, the claim that the Betson-Rothbarth method is a “lower bounds” is ridiculous. Washington State law does not support Dr. Betson’s position that the child only has one sugar bowl. Instead Washington State law requires that this work group recommend an Economic Table that is not gender biased and that is fair and equitable to both parents.

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<sup>1</sup> See Comanor, W.S., (2004) Child Support Payments: A Review of Current Policies, The Law and Economics of Child Support Payments, Cheltenham, U.K.: Edward Elgar, page 23 for a more detailed discussion of this issue.

<sup>2</sup> See Wilson, K.C., (2003) The Multiple Scandals of Child Support, Second Edition, Richmond, VA: Harbinger Press for a more detailed discussion of the connection between residential time and payment of child support.

<sup>3</sup> Child Support and Alimony: 1989; Current Population Reports, Series, P-60, No. 173. Bureau of the Census, September 1991. Interstate Child, Support: Mothers Report Receiving Less Support from Out-Of-State Fathers, January 1992 GAO, GAO/HRD/92-39FS, at page 19.

## **Section Two: A Tale of Two Parents, The Homeless Dad and the Million Dollar Mom**

The following section was prompted by emails I received from two parents in January 2008. One is an NCP dad who pays so much in child support that he lost his home and is living in his truck. His primary worry is that if his Ex finds out that he no longer has a home, she will ask a judge to reduce or eliminate his time with his kids.

The second parent is a CP mom who emailed the entire Child Support Work group claiming that King County judges are biased against “Middle class moms”. She specifically claimed that Judge Doerty refused to grant her request for a “deviation from the child support table” and refused to “extrapolate” child support above the Table maximum to a wealthy Microsoft dad. It turns out the mom has a gross income of over \$100,000 per year and was awarded the family home and over a million dollars in assets just five years ago. Yet she still claims she needs more money.

I present these two cases to show how crazy things have gotten. We have middle class dads living out of their cars and in fear of losing their precious time with their children and million dollar moms whose want more. My hope is that these two case studies will show that the “sugar bowl” pendulum has swung too far in favor of the majority parent. Justice and Washington State law demands that both parents receive fair treatment.

### **The Case of the Homeless Dad**

While I am not a member of any father’s rights group, I am on an email list for an informal divorced dads “support” group. Shortly after completion of the Analysis of Child Support Issues in January 2008, I received two emails that are sadly typical of the problems faced by divorced dads. The first was an email about a divorced dad in California who committed suicide the first week in January. He evidently could not face life without his children. One of the purposes of divorced dads support groups is to try to prevent such tragedies. But many divorced dads suffer in silence or are simply unable to cope with the loss of their child. Before condemning this dad for committing suicide, one should keep in mind that interviews of parents consistently note that the majority of all parents would regard the loss of their child as a ‘fate worse than death.’

The second email I received during the third week in January. It is about a dad driven to homelessness and bankruptcy, but still trying to stay in the life of his child. The dad was not concerned about losing his home and life savings. Instead, he was concerned that, if the court found out he was now living out of the back of his truck, and had no formal place to spend with his child, the court might take away the time he had with his kids. Obviously the thing that mattered most to this dad was not the loss of his life savings, but the loss of time with his child. Here is the text of his email to the support group:

*I have been out of the loop for the last few weeks grasping for a long shot financial recovery from over 2 years of fighting.... There is no such thing as peace with a woman who will stop at nothing to destroy the only thing she knows that matters to me.... the relationship with my child. A feeling many of you know so well. So it's come down to next month I'm moving into my truck and will have my residential time at a family member's house. If my daughter is fed, in a safe, and clean environment when I have her is that enough? Or can my ex modify the parenting plan if I don't have MY OWN PLACE? I could rant about how angry I feel at the system.....but we all know how it goes. I still have my integrity, I fought an honest fight. Anyway I need a bankruptcy attorney and I'm wondering if anybody knows one they could recommend.*

Child support rates are currently so high that it has become extremely common for even formerly middle class dads to wind up homeless. For example, the following are comments from a homeless dad made during the 2005 Public Hearing<sup>4</sup> held in Seattle:

*The division of child support has affected me quite a bit. I'd like to think of myself as Mr. Average... I made \$36,800 dollars per year when I got my divorce eight years ago. That was the median wage in King County, so I'm Mr. Average. ... I can't tell you how hard it is to have some person, who knows nothing about you, give your child away to some person who has a personality disorder. .. When you make \$36,800 dollars (a year), after taxes, you get \$2,200 dollars (a month). I was ordered to pay 50 percent to child support, medical and alimony. That left me \$1,100 dollars a month to live off of. . (so) I'm forced to rent a room in a house in Federal Way... When I visit my daughter, I have to buy take-out food for her because I'm not in a home where I can cook for her. I have to do lots of things in a car and lots of parks and things that I can not do at home because I do not have a home. At one point I lived in a car on and off for three years because all of my money was going to my daughter... her mom has probably never bought her a pair of shoes, I buy all her clothes... Her mom pays no money for her whatsoever.. I am just an average guy, but I could give you a dozen of my friends who have done no better than me. They've lived in campers, in living rooms, we're destitute... And you're thinking about raising it (child support rates)? All you're going to do is give women an incentive to leave, and I don't think that's a good reason... It's like winning the lottery for them to leave and then you leave us no money to see our kids... You've got to leave us some money to see our kids.*

Another dad at the 2005 Public Hearing added: *"It is important for the board to understand that they are forcing people into homelessness. This is what I have to live off of. Obviously, \$1800 minus 50 percent is \$900. That's what I had to live off of. ... If you take away .. \$550 for just a basic studio in Lakewood, nothing fancy.. But what you don't see in this figure is .. there's no clothes, no vacations, there's nothing and that's my life... This board forced me into homelessness.. From where I stand, you've taken away my driver's license, taken away my business license, ruined my credit, deprived me of visitation... and to me it doesn't matter if I go to jail anymore.. As a prisoner, the maximum they can take away from you is ten percent. I would probably have more visitation as a prisoner than I do as a free person. "*

Still another dad added: *"I've been paying child support now for almost 20 years.. I used to have a business and no longer have one, but my child support is still computed as if I have a business. Now I have a job making \$12 an hour... I got locked up because I couldn't pay my child support and I'd never been to jail before... I fought two wars for this country and it doesn't make sense. Now I've got a part time job and a regular job. They're taking out 50% on my part time job and 50% on my regular job. So I'm paying 100% and you guys want to raise it? .. How do you expect us to make a living going to jail for 30 days? I had a business where I was making money and it got dissolved because I was in jail because the King County prosecutor said.. if you pay the \$1500 dollars, you can get out of jail. Do you think if I had the \$1500 dollars I wouldn't have paid to get out of jail?"*

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<sup>4</sup> Transcripts of the 2005 Public Hearings can be found in Appendix 5 of the Child Support Schedule Review Report, January 2005.

The 2005 Child Support Work Group, by a vote of 8 to 6, voted to ignore the public comments of these homeless dads and dramatically increase child support rates. How much longer are we as a civilized people going to condone a system that drives loving parents out of their child's life and forces them to live in their car to pay child support payments much higher than are supported by any credible scientific studies?

It is useful to look at how Great Britain has addressed this problem. The evolution of Child Support in Great Britain is described in a 2000 article by Bradshaw and Skinner.<sup>5</sup> Like the U.S., the British fell victim to the hysteria promoted by Weitzman in the late 1980's. In 1991, the British passed the Child Support Act and created the Child Support Agency. Child Support rates were essentially doubled from about 12% to 24%. Predictably, the compliance rate fell dramatically. About 33% of British dads refused to comply at all and only 44% were able to make the full payment. Arrears skyrocketed such that by 1997, arrears were estimated to be 600 million pounds (about \$990 million dollars). Despite spending millions of pounds on a child support collection system, the amount actually collected under the new system was about the same as under the old, more voluntary system. The only difference was that millions of divorced fathers had suddenly been turned into criminals. According to the study authors (who conducted an extensive survey), the 1991 law doubling child support payments lost the support of fathers because they felt the new system was "unfair", and it lost the support of mothers who felt the new system was "incompetent" (page 84).

Thus, the British Fiasco was very similar to the fiasco we have experienced in the US. But their courageous solution to this problem was quite different from the ever increasing system of penalties and punishment of NCP's now employed in the US. In 1997, a new "Labour Government" was elected based in part on a promise to fix this problem. In 2001, they kept their promise by abandoning the 1991 law in favor of a much simpler system. They correctly reasoned that lowering child support rates back to about what it used to be would increase compliance. They argued that it was better for custodial parents to receive consistent, but lower payments and that families would benefit from the government not criminalizing divorced parents. However, they did not roll the rates all the way back to 12% as they had been in the 1980's. You will never guess what rate they chose. After a tremendous amount of study, **they chose a rate of 15% of net income for the first child. Where have we seen this number before???** Thus, the British government also agreed with Spring (2008) that the maximum rate of child cost is 15%! This makes at least 20 studies which arrived at a rate of 15% or slightly less. The only studies that have ever arrived at a rate greater than this have used per capita estimates. Given that per capita estimates are known to over-estimate child costs, why are they even used? The only possible reason is to artificially drive up child cost estimates. But all this does is drive divorced dads to bankruptcy.

Bradshaw and Skinner (2000) claim that not even lowering the rate back to 15% will solve the problem of failure to pay child support. They conducted a survey to find out why so many dads failed to pay child support. What they found was that 63 percent of the dads who were in arrears failed to pay because they did not have a job and thus had no income to pay. Many dropped out of school before age 16 and lacked even the equivalent of a High School education.

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<sup>5</sup> Bradshaw, J. & Skinner, C. (2000) Child Support: The British Fiasco, IRP Focus, 21 (1) 80-86.

Of those who had jobs, most were making very low wages (less than 100 pounds a week). The obvious solution is to train these dads and get them decent full time jobs so they can pay their child support payments. Another 13% of dads failed to pay their child support because they had financial obligations to other children in their current relationships. No solution was offered for this extremely difficult problem. Many other dads had irregular incomes related to seasonal part time work.

Only 9% of the dads who failed to pay had jobs with incomes above the median income and no other financial obligations to other family members that might prevent them from making their child support payment. This result was nearly identical to the result found by Braver in the 1980's. (He also concluded that less than 10% of divorced dads failed to pay child support when they had the financial resources to do so).

Even these dads explained that the reason they refused to pay was that the mother was not being "fair" about allowing the dad to remain in the child's life. On page 83, the authors summarized this problem as follows: *"Fathers felt that the mother's right to claim child support ... depended upon the mother's behavior over contact as being "fair." If the mother facilitated contact or at least recognized the father's independent relationship with his children, then her claim was accepted as legitimate. Failure of the mother to do so induced an overwhelming sense of victimization and powerlessness."*

Such fathers often expressed their anger over the mother's refusal to let them spend time with their children by failing to pay child support. In response, the new Labour government issued a 1999 White Paper stating that "It is clearly important for effective child support arrangements that **contact is settled to the satisfaction of both parents.**" Unfortunately the 1999 White Paper did not actually result in any improvement in contact between non-residential dads and their children. Mothers have continued to deny fathers contact with their kids because there is no real penalty.

The authors concluded, *"Our research shows that fathers do want to fulfill all of their parental obligations – social, emotional and financial – but it seems that one is unsatisfactory without the other."* They recommended that the role of government change from being an "enforcer" by unfairly taking sides with the mother's right to child support while ignoring the father's right to spend time with his child; and instead become a "**facilitator**" helping parents find mutually acceptable solutions to both issues by helping parents understand that **the two issues of child support and child contact are in fact related.**

Do we have the will in the State of Washington to role back child support rates to 15% as they did in Great Britain? In the alternative, if the Status Quo option is chosen (about 20%), do we have the wisdom to enact a fair and full residential credit to promote contact between lower time parents and their children? Do we have the wisdom to place a limitation on imputation of income to insure that lower time parents will have time to spend with their children as well as some money to spend on their children while their children are in their care? Do we have the wisdom to set a cap on child support so that we are not providing a financial incentive to promote divorce? My hope is that the research contained in this and my prior analysis will help work group members understand the importance of achieving each of these goals towards the ultimate goal of improving the lives of children and their parents after divorce.

### **The Case of the Million Dollar Mom**

This second case is far more disturbing than the case of the homeless dad. The homeless dad was merely writing to friends asking for a referral to a bankruptcy attorney. He was honest and had no ulterior motive. In this next case, the mom emailed directly to the entire Child Support Work Group in January 2008 asking us to “hurry up” and draft new regulations as she and her two kids were in dire financial straights after she was shafted by a King County judge. After doing extensive research into her allegations, it turns out that most of her claims were dishonest distortions deliberately intended to deceive the Child Support Work Group. The following are some of the quotes from this mom’s extremely long email to the Child Support Work Group:

Please speed up the process for the task force so that some action can be taken by the legislators before the end of the year regarding the support tables. King County has killed extrapolation on child support and the standard of living is dropping for the forgotten Middle-Class children of divorce... As you know the child support tables have not been updated since they were created in 1998. No cost of living adjustments have been made and the table caps at \$7000 a month combined income... King County courts have recently ruled that child support calculations cannot go beyond the table unless there are extreme circumstances... Single parents are being hurt in dramatic ways. We all know that the cost to maintain the standard of living is going up. Housing alone is skyrocketing in the Seattle Metropolitan area. My Specific story... My ex husband lives in Clyde Hill, works for Microsoft, lives in a million dollar home, makes over \$15,000 a month and has recently been ordered to only pay the minimum on the support table that caps at \$7000 a month. ... At the time of the divorce 2002, we split the property, agreed to four years of a spousal payment and \$1000 a month in child support and \$1000 a month for childcare for our two small children (newborn and four year old). In 2003 I was awarded \$1350 in child support and Bryan was ordered to pay 54% of any childcare.

Friday December 14, 2007, Judge Doerty ordered my child support cut to \$977 a month for two small boys to cover ALL expenses for them 100% of the time and to pay the father back \$25,000. Their father is makes twice the monthly maximum of \$7000 for combined incomes on the support tables alone. I on the other hand work for a non-profit with as much OT as I can handle and have the children 100% of the time. Now the courts say he only has to pay a portion of the basic child support, since the courts have in effect killed Extrapolation. The fact that their father does not ever have visitation with them is irrelevant to the court. Counseling to me seems necessary due to their father’s abandonment this year, yet I have to **pay for all co-payments and expenses for this treatment**. He does not see them ever by his choice.

The tables are grossly out dated both for cost of living and the reality that there are a lot of parents that have high tech jobs in the area that are off the basic tables. Please add the cause to your advocacy. I am asking for an adjustment to the table to account for inflation over the past ten years and that the table is extended by the legislature so we can MAINTAIN what we had prior to the Daubert ruling. These changes do not cost the state anything and can positively impact the lives of many children and single parents... I can give you more specifics of my case if you would like to contact me.

Let me begin by saying that I found this story difficult to believe the moment I read the email. There are no “pro-dad” judges in King County. Instead, King County is without a doubt one of the most pro-mom courts anywhere in America. So the claim that a King County judge would rule in favor of a dad when there were other options available to the judge was very hard to believe.

I also did some preliminary calculations which led me to conclude that the mom must also have an extremely high income or the dad would have been ordered to pay much more in child support. Note that, in the email sent by this mom, she talked a lot about the dad's income, but failed to mention her own financial situation. (Under Daubert, the obligations of the parents are to be shared in proportion to their net incomes). So I took the mom up on her offer to provide more specific information by emailing her back and asking for her approximate annual income. The mom replied to my email basically refusing to disclose any further information. Now I was really curious about what was going on. So I went to the King County Court House and looked up her case. What I found shocked me. I was angered at the level of dishonesty and deception this mom tried to pull over on the Washington State Child Support Work Group. I will therefore try to put this as politely as I can. I am sorry to have to say this stuff. But since this mom chose to email the work group making all kinds of outrageous claims, this work group has a right to hear the full sad story about what happened in this case.

These parents were divorced in 2002. As part of the divorce settlement, the mom got 55% of the couple's total assets. This included the family home, valued at \$339,000.00 and Microsoft stock valued at over \$800,000.00. She also got two cars. She also got \$120,000.00 in "maintenance" at \$30,000.00 per year for four years. This was despite the fact that her 2005 gross income was \$111,000.00. She also got all the tax credits and deductions for both children. She also got \$1,000 per month in child support and \$1,000 per month in child care costs. This was despite the fact that the kids were often watched by her mom. The judge ruled that the dad was required to pay the grandmother to watch the kids. The dad was also required to pay \$7,000.00 for the mom's attorney. The dad was also required to pay for private schooling, and future post secondary education and for health insurance for both kids (at \$200 per month). The dad was also required to pay for a \$350,000 Life Insurance policy and a variety of other payments too numerous to mention. The total cost to the dad appeared to be over 1.5 million dollars!

But despite this incredible 1.5 million dollar windfall profit, this was not good enough for the mom. She reasoned that if the dad could afford \$2500 per month in "maintenance" for 4 years, once the maintenance was gone, he should also be able to pay for \$2500 per month in child support. In other words, what the mom was really asking for was permanent maintenance only thinly disguised as child support. In 2006, King County Superior Court Judge Doyle agreed with the mom and granted her wish, "extrapolating above the highest limit on the Economic Table" and thereby doubling the dad's child support payment, despite the fact that there had been no substantial change in the financial needs of the children or either parent (as required by law).

The dad appealed. In early 2007, the Court of Appeals ruled (as did the Washington State Supreme Court) that extrapolation is not permitted unless the trial court determines it is needed and is in the best interest of the child. They reversed Judge Doyle's decision and sent the matter back to Judge Doyle on remand to comply with the law. Judge Doyle then defied the Court of Appeals and the Washington State Supreme Court by sitting on the Court of Appeals decision for several months (forcing the dad to continue to pay child support at a rate which was double the amount he should have paid under the law and forcing the dad to pay thousands of dollars in extra legal fees just to get his case heard). Finally, the dad's attorney complained to the Head Family Judge of King County, who currently happens to be Judge Doerty.

Judge Doerty then took over the case and simply followed the Opinion of the Washington State Supreme Court and the Court of Appeals. He basically found that the mom was rich and that the children were in no danger of starvation. Judge Doerty wrote in his decision: *“The deviation sought by the oblige is denied because no good reason exists to justify the deviation.”*

Thus, while the mom blames King County and Judge Doerty, her real problem is with the Court of Appeals and the Supreme Court. One can hardly fault a King County judge for following the law. I am sure that if the Washington State Supreme Court would have said it was okay, Judge Doerty would have had no problem socking it to the dad by doubling the amount of child support he had to pay.

But the truly sad part of this story is what has happened to the two children as a result of this money dispute. The mom claimed in her email that the dad “does not ever have visitation with them... Counseling to me seems necessary due to their father’s abandonment.”

But here is what the dad wrote in one of his Declarations:

*“I desperately wanted more visitation with my sons. This request for additional time was supported by Dr. Katz, a child psychologist, hired by both of us who specializes in child evaluations during divorce. However, even with this expert’s recommendation, (the mom) **refuses to allow me to have more time with my children.** “*

The most this mom would allow the dad was every other weekend for the older child and almost no time with the younger child. As a consequence of the lack of time with the younger child, the younger child grew to fear his own dad. The dad made this problem worse a year ago by unwisely forcing the younger child (who was 4 at the time) to sit at the table until he ate his vegetables. The dad also put the younger child in “time out” a couple of times (making the younger child sit in his bedroom for hitting other children). As a child development specialist and parenting coach, I shake my head when I hear such things. I do not approve of either of these practices as there are always better alternatives for changing child behaviors. But even parents who are not divorced do not always make the best decisions when disciplining their children.

The mother’s extreme response to the dad disciplining their children was to file a motion to modify the parenting plan so that the two boys would no longer have any residential time with their father. To meet the threshold to modify the parenting plan, **the mom accused the dad of “emotionally and verbally abuse” of their two sons.** The dad denied the allegations. But evidently tired of fighting the mom, and recognizing the extremely gender-biased nature of the King County Family law courts, the dad finally gave up and agreed to the mom’s demand to modify the parenting plan. Thus, this dad no longer has any residential time with either of his boys. Nor does he have any decision making authority. He has become nothing more than a pay check.

How has the loss of the father affected the older son? According to a Declaration written by the older son’s counselor, the child has a “strong sense of loyalty to both parents.” He also has a deep seated “fear of losing both of his parents.” The boy deeply missed spending time with his dad. The older son currently engages in self destructive behavior including hitting himself (self harm is a common sign of severe depression). **He has also told his counselor that he “wishes he were dead.”**

This is exactly the sort of thing that happens when an extremely gender biased legal system sides with one parent and against the other, giving the mom the right to drive the dad out of the children's life and giving the mom such a sense of entitlement that even after she was given well over one million dollars, she still wants more. This is the kind of extreme harm that is inflicted on children when we allow "economic experts" to bias their research based upon the assumption that the child has only financial needs and not emotional needs for both parents. The child's financial needs were protected, but the child's emotional needs for both parents were ignored.

The above case makes it very clear that **children of divorce do not just have one sugar bowl** that should be filled to overflowing at the mom's house, leaving nothing left in the child's sugar bowl when at the dad's house. Instead, children have two parents and have an emotional and developmental need to preserve their significant relationships with both parents. If this Work group unfairly focuses on one parent and ignores the needs of the other parent, this Work group will be doing a grave dis-service to children in this State and we will continue to have children who wished they were dead. Instead, children of divorce are counting on us to equitably divide the cost of child rearing between both parents so that resentment and bitterness do not deprive the child of either parent. To the child, no amount of money – not even a million dollars - can take the place of the child's parent.

Nor is the million dollar mom an isolated example. During the 2005 Public Hearings, speaker after speaker commented on the fact that child support rates are currently so high that they can support the child and the custodial parent such that many custodial parents divorce the other parent and then retire. Thus, setting child support rates at levels far greater than are needed to support a child, not only drives dads out of the life of the child and into jail and/or bankruptcy, but also creates a huge incentive for divorce. The following are a couple of examples (from the 2005 Public Hearings) of this problem:

I was separated for 8 months. The kids basically stayed with me. She'd come over and watch them when I went to work. Everything was working great. She was going to start school... (but then) she went on line and saw your support schedule and decided that she wanted to make money doing that... She learned it from a friend at work who is doing the same thing... She basically could live alone off of what I pay her. So she took the kids and took me to court and claimed abuse and all this other stuff and the court listened to all of this... (but judges) don't see the bigger picture, that there's an incentive to get child support and therefore take the kids away from the other parent... (but) she wouldn't have even wanted custody if she wouldn't get the money based upon your support schedule. .. You guys really give incentive for one parent or the other to take advantage of that and take custody for financial gain. You dangle money in front of somebody and lots of people do weird things.

Here's another case:

She won the right to raise our child and she hasn't worked in five years. She's living off the child support and according to your schedule, that's alright. That's okay because she doesn't have to account for what she does with that money. .. You know what? That's not child support, that's a transfer of wealth... I am paying for her retirement and if you think that's okay, you should have to fund her retirement.

Here's another person's comments:

Since when did getting pregnant out of wedlock or divorcing someone become a winning lottery ticket? .. There should be a cap, or a maximum amount of child support payments, a ceiling, and **the non-custodial parent should never be court ordered to provide things that intact families are not ordered to provide.**

And another person's comments:

We need to take away the divorce incentives and looking at child support as a way of making money and looking for a guy that makes big bucks to have children with.

Of equal interest was the fact that not one custodial parent came to this 2005 public hearing to claim that child support rates were too low.

The cases of the million dollar mom and all the retired moms serves as perfect examples of why it is in the best interest of children to place a "maximum cap" on child support awards. It is to prevent rich divorced moms from using their children as a "weapon" against rich divorced dads. And it is to prevent child support from being so high that it creates a huge incentive for divorce.

Old English law is a useful standard for such a cap. If all children require at least one pony upon divorce, no child needs more than 3 ponies. Thus, if the basic needs of a child can be met with \$360 per month, a maximum cap would be 3 times \$360 or a maximum award of about \$1,100 per month per child (which matches the current Economic Table limit of \$7,000). This amount is about 40% higher than the \$800 dollar per child cap used in Nevada. The "Three Pony" rule can also be expressed in terms which can be adjusted for inflation over time as a maximum cap which does not exceed the Self Support Reserve for one adult (currently about \$1,100 per month).

There is a grave danger in having a cap which goes all the way up to the cost of one adult and one child (\$1,100 plus \$360 = \$1460) in that it includes so much hidden alimony (being over \$1,000 above the actual cost of the child) that the mom can simply divorce the dad and have enough money in child support to retire with the dad paying for all of the child's expenses and all the mom's expenses. Several members of the public have testified that this is exactly what happens when child support rates are raised to such extremely high levels. We should keep in mind that the higher the child support rates are, the greater the incentives are for divorce and the higher the divorce rate will be and the higher the level of conflict between parents will be and the less likely the child will be able to preserve their relationships with both parents.

At first, I was deeply offended that the million dollar mom attempted to deceive this work group with her claim that her two children were in some kind of financial danger. But upon further reflection, I feel the real fault rests with the entire child support system which is so extremely gender biased that it has created a sense of entitlement among custodial parents. I also blame the child development field for not making it clearer to judges and to parents that children have an important need to retain their relationships with both parents after divorce. Thus, our entire culture bears some responsibility for the fact that the son of the million dollar mom now wishes he were dead. This son represents the fate of thousands of children in the State of Washington. It is time to put an end to the severe harm our current child support system is inflicting on children.

This does not mean that all children who are forced to grow up without a parent will become depressed or suicidal. But it does mean that a child's need for emotional support from both parents is far greater than a child's need for financial support. This fact has been known for a long time in the human development field, but has not been well considered in the child custody and child support policy fields. Thus, in addition to considering the above case studies, it is worth reflecting on the following facts:

1. Divorced men are almost ten times more likely to commit suicide than divorced women.<sup>6</sup> This number closely matches the fact that women are almost ten times more likely to be granted custody of the child. The authors note, *"In a divorce settlement, custody of children is more likely to be given to the wife. In the end, the father loses not only his marriage, but his children. The result may be anger at the court system especially in situations wherein the husband feels betrayed because it was the wife that initiated the divorce, or because the courts virtually gave away everything that was previously owned by the ex-husband or the now defunct household to the former wife. Events could spiral into resentment (toward the spouse and "the system"), bitterness, anxiety, and depression, reduced self esteem, and a sense of a "life not worth living"*.
2. Children in non-intact families are about three times as likely to be suicidal and children in intact families (27% versus 9%).<sup>7</sup>
3. The rate of youth suicide tripled from 1955 to 1994.<sup>8</sup> This dramatic rise in child suicide and ex-father suicide both closely parallel the dramatic rise in divorces from the 1950's to the 1990's.
4. Suicide is the third leading cause of death in the US among youth. However, in the State of Washington, suicide is the second leading cause of death among youths.<sup>9</sup>
5. The quality of the relationships between BOTH parents and the child following divorce are independently and positively related to the child's emotional well being.<sup>10</sup> The authors note that *"there is a growing consensus that children's relationships with both the custodial mother and non-custodial father impact their adjustment following divorce."* (page 292).
6. In a survey of grown children of divorce, over 80% stated that they wished they had been permitted to spend more time with their fathers.<sup>11</sup> The authors noted that *"the father's frequent physical presence in all aspects of his child's life appears to be required"* (to meet the emotional needs of the child). *"Equitable joint physical custody appears to be the post-divorce arrangement most preferred by children of divorce... (and will result in ) decreases in feelings of emotional longing in children from divorced families."* (page 583).

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<sup>6</sup> Kposowa, A.J. (2003) Divorce and suicide risk. *Journal of Epidemiology & Community Health*, 57.12: 993(1).

<sup>7</sup> Ruberstien, J.L., Halton, A., Kasten, L., Rubin, C & Stechler, G (1998) Suicidal behavior in Adolescents: Stress and Protection in Different Family Contexts, *American Journal of Orthopsychiatry* 68 (2) 274 – 284. See page 281.

<sup>8</sup> McIntosh, J.L. (2003) Suicide Statistics. Retrieved May 31, 2004 from [www.suicidology.org](http://www.suicidology.org). Note that this is an excellent resource for suggestions on prevention of youth suicide.

<sup>9</sup> Mazza, J.J. (2006) Youth Suicidal Behavior: A Crisis in need of attention. In F.A. Villarruel & Luster, T. (Eds). *Adolescent Mental Health*, Greenwood Publishing, 156-177.

<sup>10</sup> Sandler, I., Miles, J. Cookston, J. & Braver, S. (2008) Effects of Father and Mother Parenting on Children's Mental Health in High and Low Conflict Divorces, *Family Court Review*, 46 (2) 282-296.

<sup>11</sup> Finley G.E. & Schwartz, S.J. (2007) Father Involvement and Long Term Adult Outcomes: The Differential Contributions of Divorce and Gender, *Family Court Review*, 45 (4) 573-587.

7. Relocation is a critical factor in children losing their relationships with their fathers. About 60% of custodial parents will relocate the child within two years of divorce. The average move is about 400 miles.<sup>12</sup>
8. As the child is typically age 5 to 6 at divorce and age 7 to 8 at the time of the relocation, the relocation will adversely affect the child's relationship not only with the other parent but also with school peers, pets, community activities and the child's extended family.
9. Relocation had an adverse impact on the child equal to or greater than the divorce itself. Children are harmed not so much by divorce, but by the loss of the other parent.
10. If the child is not in a (protective) intact family structure, even one relocation doubles the risk of behavioral and emotional problems, including poor school performance, school drop out, drug and alcohol abuse, conduct disorders, depression and suicide.<sup>13</sup>
11. The cumulative effect of divorce, relocation and loss of the other parent leads to extremely poor child outcomes. For example, Tucker et al. (1998) found, when children of divorce move only one time, the odds of having academic and behavioral problems in school nearly doubled (from 17% to 30%) (page 122).
12. Relocation can severely alter the quality of the other parent's involvement.<sup>14</sup> Geographic proximity (especially both parents remaining in the same school district) greatly facilitates a father's ability to engage in a meaningful way with his children.
13. Relocation impacts child support in that if the father feels he has been treated unfairly, and shut out of the child's life, then less child support is paid.<sup>15</sup>
14. While mothers often claim the reason they relocated was to improve their financial situation, there is rarely any change in their financial circumstances.<sup>16</sup>
15. Instead, relocations often appear to be driven by the mother's excessive need to control the child and associated desire to deprive the father of a relationship with the child. Allegations of domestic violence and abuse are often raised by mothers and against fathers when mothers are trying to get custody of or relocate a child. However, in the vast majority of cases where mothers raise these allegations in the context of custody and relocation proceedings, the allegations are false. This is particularly true if the mother has a history of mental health problems and/or there had been no prior history of domestic violence before the custody or relation battle began. Even more important, the person making the false allegations is likely to suffer from serious mental health problems. In a study of falsely accusing mothers, over 75% of them suffered from personality disorders. This includes an excessive need to control the child, and/or a false belief that the father is somehow a threat to the child.<sup>17</sup> However, the odds that a biological father is actually a threat to his own child is substantially less than 10%. This is especially true if the father has no history of mental illness or aggression against others. (Note that step fathers present about 3 times the risk of biological fathers).

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<sup>12</sup> Schacter, J.P. (2004) Geographic mobility: 2002 to 2003, (US Census Bureau, No. P20-549. Washington DC: US Department of Commerce.

<sup>13</sup> Tucker, C.J., Marx, J. & Long, L. (1998) Moving On: Residential mobility and children's school lives, *Sociology of Education*, 71, 111-129.

<sup>14</sup> Shear, L.A. (1996) Life stories, doctrines, and decision making: Three high courts confront the move-away dilemma, *Family and Conciliation Courts Review*, 34, 439-458.

<sup>15</sup> Braver, S., Wolchik, S.A., Sandler, I.N., Sheets, V.L., Fogas, B., & Bay, R.C., (1993) A longitudinal study of noncustodial parents: Parents without children, *Journal of Family Psychology*, 7, 9-23.

<sup>16</sup> McLanahan, S. & Sandefur, G. (1994) *Growing up with a single parent" What hurts, what helps*. Cambridge, MA: Harvard University Press.

<sup>17</sup> Wakefield, H. & Underwager, R. (1990) Personality Characteristics of Falsely Accusing Parents in Custody Disputes, presented at the Sixth Annual Symposium in Forensic Psychology, Las Vegas, Nevada March 13, 1990

Clearly, in the majority of cases, relocation is not in the best interest of the child. The scientific research on the combination of divorce and relocation clearly supports a presumption against relocation as relocation is extremely harmful to the best interest of the child. The relocation laws in most States are supposedly neutral on this topic. Yet the State of Washington is one of the few States in America that currently has a presumption in favor of relocation (RCW 26.09.520). Thus, our State rarely prevents a mother from moving a child away from a highly involved and devoted father.

In May, 2006, I was walking down a long hallway at North Bend Elementary School, when I noticed about 100 drawings that had been posted on the wall. The drawings were made by children who had relocated to North Bend from someplace else during the past school year. (As there are about 500 children at this school, the 9 month relocation rate was about 20%. As intact families rarely move, it was likely that nearly all these relocations were non-intact families). The children were asked to draw a picture of what they missed most from their former town. Many children drew pictures of a former school friend, or their grandmother or their pet cat or dog which for some reason had been left behind. But the majority of the children drew pictures of their dad. The children had moved to North Bend from places as far away as California, Florida and New York.

When the father is allowed to have an ongoing and meaningful relationship with the child, the child does reasonably well. However, if the father is shut out of the child's life for any reason, the child's emotional and academic development is placed at risk. Thus, the residential credit section, designed to promote the relationship between the child and the non-majority parent, needs to include language that any relocation which reduced the non-majority parent's time with the child would not result in a reduction of the residential credit. Such a clause is essential in order to avoid creating an incentive to relocate the child merely to reduce the residential credit.

The Washington State Parenting Act (RCW 26.09.002) states in part:

*"The State recognizes the fundamental importance of the parent/child relationship to the welfare of the child; and that **the relationship between the child and each parent should be fostered** unless inconsistent with the child's best interest."*

Clearly Dr. Betson's assertion that the child has only one sugar bowl is not supported by the scientific research on child development. The one sugar bowl claim is also contrary to multiple sections of Washington State law. Thus, this work group is required to formulate a child support schedule that will fairly divide the cost of child rearing between the parents. We are also required to **foster the child's relationship with both parents. Thus RCW 26.09.002 is based on the assumption that it is in the best interest of children to have two sugar bowls after divorce.** Children will also benefit from other parent-child friendly policies such as:

1. A residential credit which make it financially possible for both parents to stay in the child's life after divorce.
2. A right of first refusal clause permitting a parent to care for the child while the other parent is at work rather than being forced to pay for third party child care.
3. Limiting imputation of income to minimum wage for both parents.
4. A cap on the total obligation to reduce any extreme financial incentive for divorce.

**Section Three: Why per capita methods over-estimate child costs**

The first step in achieving a fair distribution of child costs is understanding why per capita methods greatly over-estimate child rearing costs. We will therefore present a more detailed discussion of this topic than was presented in the prior paper.

In the prior Analysis of Child Support Issues, several methods for estimating the cost of a child were compared. For example, in an intact family with one child, one could either look at the additional cost a couple incurred after having the child. This is a “marginal” approach. Or, since the family now has three members instead of two, one could simply divide the total expenses of the family by three. This is the “per capita” method.

Using a family of two minimum wage earners as an example, if each parent made the minimum wage here in Washington (a net of about \$12,000 each per year), the total family net income would be about \$24,000. As poor people typically have no savings, the total family expense per year would also be about \$24,000. Thus, before the baby, each parent makes \$1,000 per month and costs \$1,000 per month. The question is how to determine what each family member costs after having the baby. The per capita assumption is that the baby costs the same as each adult. The cost of the baby is thus assumed to be \$2,000 divided by 3 or \$667 per month. Thus, for the per capita assumption to be correct, we would have to believe that before the baby, the parents spent \$1,000 per month each on themselves and after the baby, the parents spent \$667 each on themselves and \$667 on the baby. The key fact to remember is that the parents monthly net income is typically the same before the baby as after the baby. So the question is what was different about the parents expenses after having the baby?

Using housing costs as an example, numerous researchers (including the Betson, 2006 PSI Oregon report) have repeatedly noted that couples spend the same on housing regardless of whether they have zero kids, one kid, two kids or more kids. It is always about 30%. Thus, seen from the lens of housing, the marginal cost of children would appear to be zero.

Using the distribution of family clothing expenses as a second example, it can easily be seen from the CEX reported spending on clothing that adults spend far more on adult clothing than on child clothing. If we compare total spending on adult clothing with total spending on child clothing, and using spending on child clothing as a proxy for total spending on children, the chart is as follows:

CEX Spending on	2000	2001	2002	2003	2004	2005
<b>Adults, 16 and over</b>	<b>951</b>	<b>897</b>	<b>906</b>	<b>811</b>	<b>948</b>	<b>982</b>
Children under 16	296	284	290	276	276	294

Thus, a two adult family spends about \$900 per year on adult clothing (\$450 per adult) and less than \$300 per year on child clothing. In a typical two adult one child family, out of every \$1,200 spent on clothing, \$900 or 75% of total clothing spending is spent on adult clothing. It is therefore absurd to make the “per capita” claim that “children cost as much as adults” since adults spend much more on themselves than they do on children. These and numerous other examples confirm that the per capita claim, that the child accounts for the same spending as adults, is simply not an honest argument.

In Spring (2008), we showed that six different cost estimation methods all converged on a “basic total cost” of child rearing of about 14% to 20% of total family spending. This is about half the per capita estimate of 25% to 33%. Put in 2007 dollar terms, the basic cost estimate for two minimum wage earners was \$360 for one child which is also about half of the \$667 per capita estimate listed above.

Lazear<sup>18</sup> in particular was extremely critical of using per capita estimates as a means of artificially raising child costs. Although he himself is a PHD Economist, he criticized economists for artificially inflating child costs with per capita assumptions (i.e., the assumption that spending is evenly divided in the family). Lazear joked that how an economist would solve the problem of how to open a can of food if he were stuck on a desert island would be to “*assume that he has a can opener*” (Lazear & Michael, 1988, pg 65). Lazear thus criticized economists for making “per capita” assumptions they knew could not possibly be true. He advised that the best way to estimate child costs was to make as few assumptions as possible. Whereas the per capita assumption leads to the conclusion that a single child in a two parent intact family incurs 33% of all costs, Lazear showed (after nearly 200 pages of statistical analysis) that one child costs about 16% of total costs. Thus, once again, the marginal estimate of child costs was about half of what a per capita estimate would predict.

On page 87, Lazear and Michael note, “*The average family is estimated to spend 38% as much on a child as on an adult, or \$38 per child for every \$100 per adult. This yields one major conclusion of the study: children are not treated as adults with respect to household expenditures... (Instead) The per capita expenditure concept far understates the amount received by an adult. An adult commands about 2.5 times the resources enjoyed by a child in a typical family.*”

Solving for the one child intact family spending equation, where X equals the cost of an adult and (38%) X equals the cost of the child:  $X + X + (38\%) X = 100\%$  of spending,  $X$  (each adult) =  $100\%/2.38 = 42\%$ . Thus, two adults equal 84% and **the child equals 16% of total family spending in an intact family**. In the prior Analysis and in the current Addendum, I present at least 12 “marginal” studies, all of which produce total child cost estimates of 12% to 20%. I also present at least 8 “per capita” studies, all of which produce total child cost estimates of 25% to 33%. In each of the sections that follow, the debate or conflict is always over whether one should use a per capita estimate (typically of 25% to 33%) or a marginal estimate (typically of 12% to 20%).

This addendum also presents a great deal of historical information. For example, Weitzman became famous in the early 1980’s for her claim that child support rates should be “doubled.” Yet the basis of her claim was that child support rates were set at a marginal rate of 13% at the time and she wanted them raised to a “per capita” rate of 26%. Thus, Weitzman’s argument was that child support awards should be based upon per capita estimates of child cost and not marginal estimates. In short, Weitzman’s argument is based upon the per capita assumption that children cost as much as adults.

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<sup>18</sup> Lazear E. P. & Michael, R.T. (1988) *Allocation of Income within the Household*, Chicago: University of Chicago Press.

But is this an honest debate? I contend it is not. There is no rational basis and no evidence to support the per capita assumption that children cost as much as adults. Only those who are extremely gender biased and looking to fill up the mom's sugar bowl to over-flowing, would contend that children cost as much as adults. So whenever you see a cost estimation of 25% or greater, you can be certain that "per capita" math tricks were used to artificially increase the estimate.

Relevant to the debate over per capita versus marginal estimation of child cost, this addendum provides additional evidence that Betson's Rothbarth and Betson Engel estimates are both "per capita" estimates and thus dramatically over-state child costs.

For example, in 2004, three PHD Economists were commissioned by the State of Florida to complete an Engel study of child costs.<sup>19</sup> Using the 1999 to 2003 CEX, they found that the median total cost for one child was 22%. They also found that child care and health care cost about 5% for one child.. Thus, they concluded that the median Economic Table cost for one child should be 22% minus 5% equals 17%. This result was substantially lower than Betson's Engel estimate of 30%.

The Florida State authors therefore conducted a parallel study to find out why Betson's Engel estimates were 30% greater than their Engel estimates even though both had used virtually the same data set. They concluded that the difference was due entirely to the fact that Betson had added a per capita adjustment. Regarding this Betson per capita adjustment, the Florida State authors noted:

*Following Espenshade, we (the Florida State study) uses the log of total family expenditures and its square and the log of family size to control for total family spending and economies of scale. **The Betson model uses the log of per capita family expenditures** and its square and the log of family size to control for total family spending and economies of scale. There does not appear to be any substantive economic rationale for choosing one of these specifications over the other, but this **difference in specification seems to be driving the differences in estimates.***

Thus, Betson's argument today is no different than Weitzman's argument was in 1980. In fact, the parallels between Dr. Betson and Dr. Weitsman are striking. Not only did both base their arguments on per capita methods, but both refused to release their data sets for public inspection. Both were heralded by those who wanted to raise child support rates as "experts in the field of child support" whose conclusions were beyond dispute. It took nearly 17 years to discredit Dr. Weitzman's methods and conclusions and it has taken 17 years to discredit Dr. Betson's methods and conclusions. What Betson is really asking the Child Support Work Group to do is abandon the "marginal" cost estimation method of 20% used to make the present Economic Table, and in its place adopt a "**per capita" method** of 26% total child cost. But our legislature has already rejected per capita estimations in 1991. It is thus important to understand the history of the battle between marginal and per capita cost methods. The next two sections provide this history.

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<sup>19</sup> McCaleb, T.S., Macpherson, D.A., & Norrbinn, S.C., (2004) *Review and Update of Florida's Child Support Guidelines*, Report to the Florida State Legislature, Florida State University Department of Economics, Tallahassee, Florida. See page 34.

## **Section Four: Evidence of the Stability of Child Costs over Time**

In order to understand the evolution of child support rates over time, the historical record was reviewed to see what authors reported child cost rates were in the 1960's, 1970's and 1980's. This is important as numerous studies of child costs have confirmed that there has been little change in the ratio of child costs to net income since 1960. For example, Williams (1987)<sup>20</sup> got a rate of total child cost to combined net income of 24% using 1972 CEX data. Using a similar (Engel Indirect Food Proxy) method, but with the 1999-2001 CEX data, McCaleb et al, (Florida State, 2004)<sup>21</sup> got a rate of 22%. Therefore, as a ratio of child cost to total cost, the cost of raising a child according to the original Engel Income Shares method actually dropped 2% in the past 29 Years (from 24% in 1972 to 22% in 2001)! As the Engel method is known to over-estimate the cost of child rearing by about 20%, these studies confirm that total child costs have always been under 19%. McCaleb also found that child care and health care are about 5%, thus costs inside the Economic Table have always been under 15% of total intact family spending.

The Florida State 2004 study was not the only study to conclude there has been no increase in total child costs over time. Mark Lino, chief economist for the USDA, did an analysis of CEX data from 1960 to 2000. He concluded that, excluding child care and health care, **there has been no significant change in the percent of child costs as a ratio of total costs in the past 40 years.** There was a rise in the percentage of housing costs to total costs during this period, However, the rise in housing cost was matched by a nearly equal drop in the ratio of food and clothing costs. Lino also concluded that there was a substantial increase in the cost of child care related to the increase in mothers in the work force from 1960 to 2000. However, the cost of child care was highly variable and, in any case, is outside the Economic Table. Thus, for child costs included in the Economic Table, multiple highly credible studies by leading economists have concluded that there has been no real change in the percentage of child costs in the past 20 to 40 years.

The following is from Mark Lino, Director of the USDA child cost project<sup>22</sup>:  
*In 1960, a moderate (median) income family spent about \$146,800 (in 2000 dollars) to raise a child to age 18. A similar family in 2000 spent about \$165,600 for this purpose--a 13-percent increase. As a percentage of total child-rearing costs, housing increased slightly (from 32 to 33 percent), whereas **health care and child care increased considerably over this time.** Health care rose from 4 to 7 percent of total child-rearing costs in tandem with the significant increase in the costs of medical care over this time. Child care increased from 1 to 10 percent. As previously stated, in 1960, this category did not include child care because such expenses were minor. Hence, one of the major changes in child-rearing expenses since 1960 has been the addition of child care as more and more women entered the labor force.*

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<sup>20</sup> Williams, R. (1987) Guidelines for setting levels of child support orders. Family Law Quarterly 21 281-289. See also Williams Robert (1987) *Development of Guidelines for Child Support Orders: Advisory Panel Recommendations and Final Report*, Office of Child Support Enforcement, United States Department of Health and Human Services.

<sup>21</sup> McCaleb, T.S., Macpherson, D.A., & Norrbin, S.C., (2004) *Review and Update of Florida's Child Support Guidelines*, Report to the Florida State Legislature, Florida State University Department of Economics, Tallahassee, Florida.

<sup>22</sup> From USDA Expenditures on Children by Families Project: Uses and Changes Over Time, Family Economics and Nutrition Review, Winter, 2001 by Mark Lino.

Put in plain English, there was a total of 13 % increase in child costs from 1960 when the first CEX/USDA report was made to the 2000 CEX/USDA report. However, 9% of this increase was for child care and 3 % was for health care. Thus, according to the CEX/USDA data, **all child costs other than child care and health care increased less than 1% (as a percentage of total child costs) during the past 40 years.**

Thus, as child care and health care are both considered outside of the economic table, there is no justification for increasing the percentage of child support payments as determined by the economic table.

**Converting Total Child Cost Percentages to Economic Table Percentages**

In analyzing estimates over time, there is the need to convert from total child costs to Economic Table costs by subtracting child care costs and health care costs, both of which are highly variable and are therefore outside of the economic table. McCaleb et al., (Florida State, 2004) has shown that child care costs and medical costs were about 5% of the total cost of child rearing as of 2004. In other words, they found that total child costs were 22% for a median family which resulted in a table cost excluding child care and health care of 22% minus 5% equals 17%. However, the USDA has shown that, in the past, child care and health care costs were much lower than they are now. In 1960, child care was 1% of total child costs and health care was 4% for a total of 5% of total child costs. Thus, if total child costs were 12% of total costs, then child care and health care would have been less than 1% in 1960. In addition, Williams (1987, pages 11-134-11-138) reported that the average combined cost of child care and health care from the 1972-1973 CEX was about 3%.

Based upon these three pieces of data from three separate sources, I have developed a way to convert total child cost estimates to table child cost estimates over time to allow for this change in child care and health care costs. Starting with the current decade and working backwards, child care and health care costs averaged 5% for 1990 on, 4% for studies done in the 1980's, 3% for studies done in the 1970's, and 1% for studies done in the 1960's. This is a way to level the playing field over time since many of the studies report only total child costs and there needs to be some way to convert from total cost to Economic Table costs over time. Assuming the Economic Table cost remained constant at 15% for the past 40 years, to arrive at 1960 total cost we add 1% (mainly health care costs) for a total child cost of 16% in 1960. This is a fairly close match to Mark Lino's estimate that in 1960, "health care costs were about 4% of total child costs" (in other words  $1\% / 16\% = 6\%$ ). Thus, total child cost rose to 18% in 1970, 19% in 1980, and 20% in the 1990's. However, all of this increase in costs was due to child care and health care. The Economic Table cost remained at 15% during this entire period of time.

<b>Converting Total Cost to Economic Table Cost</b>	<b>1960's</b>	<b>1970's</b>	<b>1980's</b>	<b>1990's on.</b>
Child Care and health care cost	1%	3%	4%	5%
Total Child Cost	16%	18%	19%	20%
<b>Economic Table Cost</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>

The Lazear and Michael (1988) and McCaleb et al. (2004) studies also support this conclusion that table costs have remained stable at 15%. Both used an Income Shares (Intact family) model.

McCaleb used a marginal Engel (food based) estimation method and got 22% total cost. Subtracting 5% 2003 non-table cost from the McCaleb total cost of 22% yields 17% (which would be the current estimated Income Shares Engel method cost for items inside the Economic Table). However, it has been shown by numerous economists that the Engel estimate is about 20% too high because the ratio of child food costs are about 20% higher than the ratios of other child costs (such as housing and child clothing). Thus, an average of marginal Engel estimate of 17% converts to a non-Engel estimate of 14%. Lazear and Michael, using 1972 CEX data and a marginal Rothbarth method, got 16% Subtracting 3% for the non-table items for the 1970's child care and health care costs from the LM result yields an Economic Table cost of 13%.

As a fourth comparison, Garfinkel (Wisconsin, 1984) used direct cost estimates and got a total cost estimate of 17% using 1970's data. Subtracting 3% for child care and health care, Garfinkel's Table Cost estimate was also 14%. Spring (Washington, 2008) used a combination of direct cost estimates 24 years later and got a total cost of 20%. Subtracting 5% for child care and health care, the estimated table cost was 15%.

A fifth source of information is the comparison of Betson's older 1990 studies of the per capita Engel and Rothbarth methods (using 1980 to 1987 CEX data) to his more recent studies using 1996 to 1998 CEX data. During this 15 year span of time, Betson also found that total child cost rate had fallen slightly. Thus, ten studies from five different sources have all confirmed that there has been no significant change in child rearing costs for items inside the Economic Table in more than 40 years.

**Stability of Child Cost Estimates over Time: A comparison of 10 studies**

Study Method >>>	Total Marginal Direct Cost Method	Total Marginal Engel Cost	Total Per Capita Direct Cost	Total Per Capita Rothbarth Cost	Total Per Capita Engel Cost
Beginning Estimate yr	17% Garfinkel, 1984	24% Williams,1987	21% (USDA,1960)	25% (Betson, 1990)	33% (Betson, 1990)
Ending Estimate yr	20% (Spring, 2008)	22% McCaleb,2004)	26% (USDA, 2006)	26% (Betson, 2001)	30% (Betson, 2001)
Difference	3% (24 years)	<2%> (20 years)	+ 5% (46 years)	+ 1% (15 years)	<3%> (15 years)
Correction for non-table costs*	<2%>	<2%>	<5%>	<2%>	<2%>
<b>Table Cost Change over time</b>	<b>+1% In 24 years</b>	<b>&lt;4%&gt; In 20 years</b>	<b>0% In 46 years</b>	<b>&lt;1%&gt; In 15 years</b>	<b>&lt;5%&gt; In 15 years</b>

Note: Betson (1990) used 1980 to 1987 CEX data. Betson (2001) used 1996 to 1998 CEX data. Williams and Garfinkel used 1972 CEX data. Spring used a variety of 2005-2007 sources.

\* Correction for non-table costs is about 1% rise per decade

All of these results, comparing ten different studies and five different methods, lead to the conclusion that there has been no significant change in child costs during the past 47 years other than a consistent gradual rise in child care costs and health care costs, both of which are outside of the Economic Table. Clearly inflation during the past 40 years has had no effect on the ratio of child cost to total net income. How can this be? The obvious answer is that income has risen at the same rate as expenses.

## **Section Five: The Historical Evolution of the Washington State Economic Table**

PSI has claimed that the current Economic Table is based upon the Williams Income Shares model from 1987. However, as we will soon cover in more detail, this claim is not true. Instead, the current Economic Table was based on a compromise between the 1987 Hybrid State Table and the 1982 Judge's Table. The 1987 Table was itself a "***a hybrid income and cost sharing model.***" Even the hybrid model was so high that the majority of the State's counties (with the exception of King County) refused to use it. Thus, between 1987 to 1991, Washington State used two Economic Tables (in violation of federal law). In 1991, the legislature broke the stalemate by rejecting the 1987 Hybrid Table as being "too high" and instead adopting a "compromise" between the Hybrid Table and the slightly lower 1985 Judges Table as the basis for the Statewide Economic Table. The 1982 Judges Table was in turn based upon a 1977 book written by Eden<sup>23</sup> which in turn was based upon a 1973 USDA per capita analysis of the 1960 CEX data. Thus, the 1982 Judge's Table was based on a Cost Sharing, but per capita based model. Thus, PSI's claim that the current Economic Table is based upon Williams Income Shares model is utter nonsense.

While our State is listed as an "Income Shares" State, the truth is that our Economic Table is not based on the Williams Income Shares model. Instead, it is based on a highly modified version of the USDA per capita model. The reason our Economic Table much lower than the USDA per capita table is because at least five different "math tricks" were used to artificially lower the USDA per capita estimates to more politically acceptable levels. We will shortly go over each of these math tricks. However, we first need to understand how USDA per capita estimates fit into the bigger picture.

The USDA data is the oldest child cost data available dating back to the 1960 version of the CEX. The primary drawback of the USDA method of estimating child rearing costs is that it is a per capita method. For example, a straight per capita estimate of child cost for one child in a two person intact family is 33% as the child is one third of the family. The reason USDA gets a estimate of about 25% to 29% for one child instead of a straight per capita estimate of 33% is that only 70% the items used by the USDA are calculated on a per capita basis. The remaining items are calculated on a marginal basis. The problem is that while some items, such as food, may be evenly distributed in the family, other items, such as housing and transportation, have little or no additional cost when a child is added to the family. For example, the percentage of income spent on housing does not rise at all when children are added to a family. It remains at almost exactly 30% of family spending no matter how many children a family has. Thus, the USDA per capita method greatly over-estimates the cost of child rearing. This is likely the reason it was chosen in 1982 as the basis of the first Washington State Economic Table. The intention was to create as high a Table as possible. (See pages 63 to 64 of the Analysis of Child Support Issues for a more detailed discussion of this problem).

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<sup>23</sup> Eden, P. (1977) Estimating Child and Spousal Support, Western Book Journal Press: San Mateo, CA as reproduced in Uniform Child Support Guidelines. Washington State Association of Superior Court Judges, July 1982.

For now, we are interested in converting total child cost USDA per capita estimates into marginal estimates so they can be directly compared to other estimates. Within the same year, a reasonable estimate of the difference (as shown later in this addendum) is 40%. Thus, if the USDA per capita estimate of total child costs is 28%, a USDA marginal estimate of total child cost would be about 17%. If the USDA total cost estimate converted to a marginal estimate is 17%, then the Economic Table version of the USDA estimate would be 17% minus 5% for current child care and health care costs or 12% for the Economic Table cost. This result of 12% was in fact one of the six methods used in the Analysis of Child Support Issues to confirm that the maximum child cost is about 15% of combined net income.

Thus all of the historical estimates considered thus far support an estimate of 15% or less for the Economic Table costs. However, all of the estimates considered thus far use the same source of data: the Consumer Expenditure Survey (CEX). The Analysis of Child Support Issues provided many reasons why the CEX is likely to over-estimate child rearing costs (see pages 61 to 63). It is therefore important to look for other historical sources of information on child rearing costs to see if this is true. One commonly over-looked source of historical information is the actual child support awards. While those wishing to increase child support awards have been highly critical of actual historical awards as being too low, there is in fact little evidence that child support awards were too low. Instead, it is more reasonable to conclude that judges even in the 1960's were highly pro-mom in that judges rarely gave custody of the child to the dad and usually sided with the mom in every other area in divorce disputes (for example, accepting the mom's claims about family income over the dad's claims).

The historical record below confirms an informal survey of parents who received or paid child support during this time, namely that typically child support orders were about 10% to 12% of the combined net income of the parents in the 1960's.

Closely following the rise in child care costs and health care costs of about 2% per rise in the 1970's, and a 1% rise in the 1980's, typical awards rose to 12% in the 1970's, and 13% in the early 1980's. For example, Weitzman<sup>24</sup> claimed that "child support payments remained fairly constant at **13% between the years 1978 to 1981.**

In 1979, Judge Melson, from Delaware developed a child cost estimation model currently used in several States<sup>25</sup>. His method involves first subtracting both parents subsistence level needs from their combined income and then the child subsistence level needs which is divided between the parents based on their incomes. Additional support is provided to the child using a fixed percentage of their remaining combined income as the total child support obligation. The percentage Judge Melson chose for one child was 15%. Subtracting 3% for child care and health care, **the Table Cost for the Melson model converts to 12% in the late 1970's.**

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<sup>24</sup> Weitzman, L., (1985) *The Divorce Revolution: The Unexpected Social and Economic Consequences for Women and Children in America*, New York: The Free Press, pages 265-266.

<sup>25</sup> See Delaware Child Support (Melson) Formula, Family Court of the State of Delaware, revised May 1984 and reproduced in the Appendices of Williams (1987).

In 1984, a study of actual child support awards issued by judges was done by Judith Cassetty<sup>26</sup>, a Wisconsin graduate student of Garfinkel, also found that child support as a percentage of average male earnings and adjusted for inflation was constant at 13% between 1978 to 1981. Subtracting 3% for child costs and health care costs, this resulted in an Economic Table Cost of 10% during 1978 to 1981. Cassetty also found that in 1975, men in Michigan with gross incomes over \$15,000 per year contributed 11 % of their gross income to child support. This would also convert to about 13% of net income and a 10% Economic Table cost.

Contrary to common mythology, there is substantial support for the conclusion that these thousands of judges looking at the actual economic circumstances of individual families, were pretty accurate. For example, Mark Rogers (advocate of the Cost Shares method) has spent years doing essentially what these judges did.-estimating the actual costs in actual families. He has reported that these costs, excluding child care and health care is also about 11%. A self report survey of middle income urban parents<sup>27</sup> also indicated that parents estimated their total spending on children constituted 15% of total family spending in the 1980's. Subtracting 4% for the child care and health care costs for the 1980's results in an Economic Table estimate of 11%. Betson (1990) using "housing and clothing costs combined with food costs" as a "more balanced" proxy than the Engel method (called the Iso-prop 2 method) also got a result of about 12% for the 1980's decade<sup>28</sup>.

All of these historical sources of information, judges, parents, Rogers and Betson, support the conclusion that actual total child costs may be as low as 15% and Economic Table costs may be as low as 11% of combined net income which is about what child support rates were in the late 1970's and early 1980's.

This brings us to the historical record in the writings of Weitzman. (See Analysis, pages 33-35). Weitzman repeatedly claimed that child support rates in the 1970's were too low and should be doubled. More specifically she argued that the USDA per capita estimates of child costs were about 26% to 30% of combined net income and that the court orders were only about 13%. She wanted child support rates doubled to 26% to 30%. By 1990, she had gotten her way. It was only later found that Weitzman's conclusions were based upon math errors and faulty data. But what can be learned from Weitzman's writings is that actual child support orders in the 1970's and early 1980's were about 13%. It is worth asking why Weitzman was so adamant that child support rates should be raised to 30% for one child. She made several arguments, but her primary argument had as its source the CEX/USDA per capita estimate whereby one child was 25 to 29% of net income.

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<sup>26</sup> Cassetty, J. & Douthitt, F. (1984) The Economics of Setting Adequate and Equitable Child Support Payment Awards, State Bar Section Report, Family Law, Special Child Support and Visitation Issue, State Bar of Texas, pages 8 to 14, copied in Williams (1987) Pages III-77-83.

<sup>27</sup> Arnold, F. & Fawcett, J.T., The Value of Children: A Cross National Study, Volume III, pp. S-9: University Press of Hawaii; Honolulu, undated.

<sup>28</sup> The Iso-prop method was originally advocated by Watts to overcome the per capita shortcomings of the Engel food based indirect proxy method. Iso-prop 1 added Health Care costs which is not an appropriate measure since health costs are outside of the Economic Table. Therefore Iso-prop 2 which uses food, housing and clothing costs is a better measure. See Watts. H.W. (1967) The Iso-prop Index: An Approach to the Determination of Differential Poverty Income Thresholds. Journal of Human Resources 2: 3-18.

This USDA per capita error, promoted by Eden<sup>29</sup> in 1977, was thus not only responsible for the 1982 Washington State Judge's Table, it was also responsible for Weitzman's false claims in the 1980's. The USDA per capita error was compounded by Weitzman's "assumption" that the mom did not work and could not work. On page 273 of her 1985 book,<sup>30</sup> Weitzman produced a chart showing that, if the father only paid 33% in child support for two children, this left the father with 66% of income to live in luxury while the mom and two kids were stuck with only 33% of the dad's income. A common (and highly deceptive) example, used by Eden and later by Weitzman was that if a dad earned \$1,000 per month, and the child support award was only 33% for two kids, then the dad would be able to live off of \$666 per month while the mom and two kids were forced to live on \$333 per month. This example overlooked several important facts:

1. The median divorced dad's net monthly income in 1977 was much less than \$1,000 per month. Even in 2003, the median divorced dad's income was only \$1500.<sup>31</sup>
2. Even if the mom did not work before divorce, it was common for her to work after divorce. In 2003, using a median divorced dad's income of \$1,500 per month, the median divorced mom's income was about \$1,250 per month and the total family net income was \$2750 per month or a net annual family income of \$33,000.
3. Thus, with low income divorced parents, the father's income typically was not much greater than the mom's income.
4. In fact, after the transfer payment, the mom typically had access to much more actual income than the dad. Even before Eden and Weitzman came along, the typical (marginal) transfer rate was 20% for 2 kids. Thus, using 2003 wages as an example, after a transfer payment of \$300 per month, the dad had \$1200 left per month. Meanwhile, the mom had \$1275 plus \$300 = \$1575. Eden and Weitzman wanted the rate more than doubled to the USDA estimate of 42% of the dad's income for two children. This would make the transfer payment \$630 per month instead of \$300. After the transfer payment, the dad would have \$870 left per month to live on while the mom would have \$2005 per month.
5. Weitzman and Eden both claimed that the dad would still have a standard of living higher than the mom. However in making this claim, Weitzman and Eden both assumed the dad either never cared for the kids or did not have any expenses associated with the kids during his visitation. We now know that the dad spends far more than the mom in child costs on a per day basis while the children are with him. This is because the dad pays for the child's bedroom even on days when the child is not there.<sup>32</sup>
6. Thus, far from the dad having twice the standard of living as the mom, Eden and Weitzman's per capita error meant that the mom had twice the standard of living as the dad.

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<sup>29</sup> Eden, P. (1977) Estimating Child and Spousal Support, Western Book Journal Press: San Mateo, CA as reproduced in Uniform Child Support Guidelines. Washington State Association of Superior Court Judges, July 1982.

<sup>30</sup> Weitzman, L., (1985) *The Divorce Revolution: The Unexpected Social and Economic Consequences for Women and Children in America*, New York: The Free Press.

<sup>31</sup> See 2003 Washington Sterling Report, page 5 and 2005 Washington Sterling report, pgs 50,56

<sup>32</sup> Henman, P. and Mitchell, K., (2001) Estimating the Costs of Contact for non-residential parents: A budget standards approach, *Journal of Social Policy*, 30 (3) 495–520

Weitzman wasn't able to drive the legislature to push the Table Cost all the way up to 42%. Using the 2003 median income example, the combined obligation for two kids (averaging the age groups) is only about 35%. However, since child care and health care average 5% per child,<sup>33</sup> the child care and health care for two kids brings the combined obligation up to 45%. Using the current Table, the total obligation is about \$1,000 per month plus 10% of \$2750 for costs outside of the Table (\$275). The dad would be responsible for  $1500/2750 = 55\%$  of the total Economic Table obligation and costs outside of the Table. Thus, the dad's obligation is  $55\% \text{ times } \$1275 = \$700$  per month. Thus, the current Table is actually \$70 more than the per capita estimate of 42% for the 2003 median divorced family income. After this transfer payment, the dad would have \$800 per month left to live on in 2003 while the mom would have \$2075. Thus, the median divorced dad with two kids in 2003 was likely living out of the back of his truck just as was claimed at the 2005 Public hearings.

Despite this shocking result, the 2005 work group voted by an 8 to 6 margin to increase the total combined obligation for this family by \$300 per month, raising this dad's child support payment by \$165 per month. This would leave the dad with \$635 per month. If the dad could afford to pay for a smart lawyer, he would certainly qualify for a self support reserve of \$900 to \$1,000 per month under either the current system or the system proposed in 2005. But in either case, the mom winds up with a much higher standard of living than the dad. And in either case, the dad winds up living out of the back of his truck. And should the dad lose his desire to keep trying under such hopeless and unfair circumstances, he loses his job and winds up in jail or worse.

This is what happens when we naively adopt Weitzman's "per capita" assumption that children cost as much as adults. It was known even back in 1985 that this assumption could not possibly be true. Still Weitzman went on for years complaining about how child support rates should be doubled from the marginal cost rate of 13% to the per capita rate of 26% for one child. We are continuing this same debate today. Some, such as Dr. Betson, are still advocating for a per capita rate of 26%, while others regard this approach to be basically dishonest as there is a mountain of evidence that children cost far less than adults.

Weitzman (1985) also described what the term "Income Sharing" actually means. Today, we think of it as the child having a share of both parents income after divorce. But according to Weitzman, **income sharing means the mom and the child sharing in the dad's income.** She basically advocates that the **mom and child(ren) should receive 50% or more of the dad's income;** and she repeatedly laments the fact that most dads pay less than 33% of their income in child support no matter how many kids they had.

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<sup>33</sup> McCaleb, T.S., Macpherson, D.A., & Norrbin, S.C., (2004) *Review and Update of Florida's Child Support Guidelines*, Report to the Florida State Legislature, Florida State University Department of Economics, Tallahassee, Florida.

Next is the historical record in the writings of Garfinkel, the founder of the Wisconsin 17% Flat Rate model. I had written in my prior Analysis of Child Support Issues that this 17% flat rate was the result of several cost based studies of child rearing costs. More recent research into the history of this model has revealed that this may not be true. A series of a dozen articles written between 1982 to 1992 in the Journal "Focus", published by the University of Wisconsin Institute for Research on Poverty (IRP), indicate that the 17% Flat rate was chosen for an entirely different set of reasons.

The first article, from 1982, "*Social Child Support: An antipoverty program for the eighties*" (IRP Focus, 6 (1) 1-11 by Uhr, E.) on page 4 describes two different proposed program options. One option uses a flat rate of 20%. The other option uses a flat rate of 15%. The text does not explain why these two different rates were chosen. However, it is clear that the existing marginal method research supported a total child cost rate of 15% rate while Weitzman's faulty per capita data supported a total child cost rate of 25% for a Table Cost of 20%. It is therefore likely that the two models were simply derived from the Weitzman faulty 25% total cost model (which had not yet been shown to be faulty) or the existing research with a maximum of 15% total cost. The authors were trying to get a "Demonstration project" approved by the Wisconsin legislature.

The next article describing this project was from 1986, "Child Support Assurance: Wisconsin Demonstration" by Tom Corbett (IRP Focus 9 (1) 1-5). This article described the results of the project as implemented. On page 2, it describes how the 17% formula for child support was determined, "*The formula for child support, as determined by legislation and administrative rule, is a percentage of the absent parent's gross income: 17 percent for one child, 25% for two children, 29 % for three children, 31% for four children and 34% for five or more children.*" The article went on to note that the percentage of income standard was approved by the legislature in 1983 and was merely suggested until 1987 when it became mandatory in Wisconsin. Thus, **the 17% total cost rate actually came from a legislative compromise between the faulty 20% Weitzman estimate and the credible research showing that child costs never exceeded a total cost of 15%!**

Other articles described four other forgotten features of this 17% flat rate program. First, 17% was estimated to be a total child cost meaning it included health care and child care. As the estimated rate for health care and child care in the 1980's was about 4%, the equivalent Economic Table cost was 13%. Second, it was to apply only to dads who were absent and spent no time caring for the child. If dads spent time with the child, the flat rate was to be reduced by the proportion of time the dad spent with the child. Thus, if a child spent 30% of the time with the dad (highly unusual back then), the dad only owed 10% flat rate in child support for the time the child was with the mom. Third, the formula assumed that the mother did not work. If the mother worked, this too was supposed to lower the percentage charged to the dad. As an example, if the absent dad's income was \$1,000 per month, the child support award was \$170 per month. However if the mom also worked and made \$500 per month, then she was expected to pay \$50 per month (about 10%) and the dad paid \$120 per month (about 12%). In other words, the intention of the program was to insure that the child's basic needs were met as determined by 17% of a low income dad's monthly wage. It was the total amount of \$170 that was the issue. Not the 17% flat rate.

Given that inflation has almost exactly doubled prices in the past 20 years, this \$170 estimate of basic child rearing costs is nearly identical to the result in the Analysis of Child Support Issues that a current basic child cost is about \$360 per month.

Fourth, in trade for providing for the entire cost of the child as determined by the 17% flat rate, the dad was to be given the annual federal tax credit. This was also in light of the fact that the mom was assumed to not be working. Therefore converting this 17 % rate into the modern times wherein moms are typically working and at low incomes have incomes only slightly less than low income dads, and that the average dad now cares for the child about 25% of the time, **the Wisconsin 17% flat rate converts into a modern flat rate of about 10%.**

This program was intended primarily for low income parents to solve the welfare and poverty problem. However it did not take long to realize that merely charging low income dads would not solve the problem. The next article, in 1988, was by Irwin Garfinkel, the founder of this Wisconsin flat rate model. The article was entitled "The Evolution of Child Support" (IRP Focus, 11(1) 11-16). Garfinkel noted that "*70% of noncustodial parents became delinquent within three years. No society profits by making so many into law breakers.*" (page 14). The problem was that the vast majority of the delinquent dads owing support to the welfare moms had no jobs and no consistent income. These dads were more "dead broke" than "dead beat." Thus trying to get water from a rock was not solving the welfare problem. Two other changes were noted in the Garfinkel 1988 article. First, the mom was now required to work also. But there was no longer a reduction in rate given to the dad because the mom worked. Even if the mom worked full time, the dad was still expected to pay 17%. Second, the tax credit which had been promised to the "absent dads" had been given to the mom since she was now working. Neither of these changes were justified in any detail other than that the program was clearly failing to meet its goals and these changes were needed to stave off disaster. A later 1988 Focus article noted that the cost of the child support collection program to tax payers had already risen to 3.3 billion dollars annually to support the new child support State and federal bureaucracy. The current cost is now over 5 billion dollars annually.<sup>34</sup>

#### **Where did the 17% rate in the 1982- 1986 Washington State Table come from?**

Coincidentally, in the early 1980's, the Washington State Judge's Economic Table also had an average rate of 17%. The claim is that it was based upon a study done in 1977 by Philip Eden<sup>35</sup>, an economist who used per capita data from the USDA to estimate child costs. However, Eden simply used the USDA per capita estimate for one child of 25% to 29%. Thus, the 1985 Washington Table estimate of 17% for one child could not have possibly come from Eden's USDA per capita estimate of 25% to 29% for one child. It is therefore worth taking a closer look at how this transformation actually occurred.

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<sup>34</sup> See Comanor, W.S., (2004) Child Support Payments: A Review of Current Policies, The Law and Economics of Child Support Payments, Cheltenham, U.K.: Edward Elgar, page 4 for a more detailed discussion of this issue.

<sup>35</sup> Eden, P. (1977) Estimating Child and Spousal Support, Western Book Journal Press: San Mateo, CA as reproduced in Uniform Child Support Guidelines. Washington State Association of Superior Court Judges, July 1982.

The following chart shows how the Washington State Economic Table changed  
**25 Year History of the Washington State Economic Table (1982 to 2007)**

CMNI	Prior to 1981	1981* To 1987 (1)	1981 To 1987 Judges %	1988* to 1990* (2) (3) (4) (5)	1988* to 1990* Hybrid %	1991 to Current (6), (7) (8)	1991 to Current %
1000	13	231	23	220	22	220	22
2000	<b>13</b>	332	<b>17</b>	427	<b>21</b>	427	21
3000	12	433	14	623	19	561	<b>19</b>
4000	11	533	13	812	20	609	15
5000	10	610	12	984	20	738	15
6000	NA	736	12	1149	19	862	14
7000	NA	NA	NA	1314	19	986	14

\* Years there was a residential credit work sheet (simple cross credit method).  
 All years are for one child under the age of 12. CMNI = Combined Monthly Net Income.

References for Economic Table:

(1) **Judges Economic Table**, Uniform Child Support Guidelines, Washington State Association of Superior Court Judges, by the Family Law Committee and Administrator for the Courts, revised effective January 1, 1985. Chart dated 12/8/84. (Number was calculated by averaging columns A (Age 0 to 6) and B (age 7 to 15)). Chart taken from page 10 which in turn was based upon 1982 calculations (Judge Shellan Table) from the 1977 Eden book, based on the 1972 USDA/ CEX. .

(2) **Hybrid Economic Table**, see Washington State Report to the Legislature, November, 1987 by the Washington State Child Support Schedule Commission.

(3) Washington State Child Support Schedule (1988) Washington State Child Support Schedule Commission, adopted by the 1988 Washington State Legislature (But only used in King County).

(4) Washington State Child Support Schedule (1989) Washington State Child Support Schedule Commission, adopted by the 1989 Washington State Legislature.

(5) Washington State Child Support Schedule (1990) Washington Courts, Administrative Office of the Courts, State of Washington.

(6) **Legislative Compromise Economic Table** adopted in 1991, see Washington State Child Support Schedule (1991) Washington Courts, Administrative Office of the Courts, State of Washington.

(7) Washington State Child Support Schedule (1993) Washington Courts, Administrative Office of the Courts, State of Washington.

(8) Washington State Child Support Schedule (2000) Washington Courts, Administrative Office of the Courts, State of Washington.

**1981 to 1986: Judge’s Economic Table (called the Uniform Child Support Guidelines)**<sup>36</sup>

The Uniform Child Support Guidelines began as an effort of the Juvenile and Family Law Committee of the Washington State Association of Superior Court Judges and chaired by Judge Gerald M. Shellan in 1981. In 1981, the original table constituted “ranges of support.”

<sup>36</sup> A history of these guidelines is provided in “Uniform Child Support Guidelines” written by the Washington State Association of Superior Court Judges, published by the Family Law Committee and the Administrator for the Courts, revised effective January 1, 1985.

The 1985 revision eliminated these ranges in favor of a more precise table. Page 8 of the 1985 report confirms that a simple cross credit method was used for calculating the residential credit in cases of shared physical custody (now called shared parenting). Page 10 shows the actual 1982 Table (values as provided on the comparison table at the beginning of this section). Pages 12 to 21 explains in part how the values show in the Economic Table were estimated. These pages were all dated July 10, 1982. On page 14, the authors note:

*“The Summary Tables (on pages 15 and 17) were prepared by Professor Eugene Silberberg, a Seattle economist, and were made available to the Seattle –King County Subcommittee for use in this project. .The expenditures of a family unit are measured in the 1972-73 C.E.S.. That portion of total family expenditures which each member of the family “consumes” is arguably, not measurable at all. .. **The accepted method to deal with this problem is to use a per capita distribution.** .. The result was a decision to treat all family expenditures as equally divisible between the family members and use the resulting figures as the basis for schedule amounts for 16 and 17 year old children only. ..Economist Philip Eden, who uses averages based on the USDA Estimates of the Cost of Raising Children, would say the percentages should be 29% (versus 33%). .. The resulting correlation formula was used to generate the schedule amounts for 16 to 17 year old children. Other age groups were reductions from those amounts. “*

Thus, the 1982 to 1986 Judge’s Economic Table claimed to be derived from Eden’s 1977 book.<sup>37</sup> But Eden essentially took the USDA 1973 per capita estimates (which were based on the 1960 CEX data) and put them verbatim into his 1977 book. Thus, Eden’s estimates are USDA per capita estimates. The per capita claim was that younger children cost about 25% for the first child and 17% for the second child. This is identical to the current USDA per capita claim. Eden then noted that older children were more expensive, thus the Eden per capita estimate for 16 to 17 year olds was 29%. Nowhere in Eden’s book does he express any awareness or concern for the fact that per capita estimates are certain to over-estimate child rearing costs. Instead, he expresses the view that the majority of divorced fathers should be charged rates of more than 50% of their total income and laments that judges are reluctant to charge these divorced fathers more than 50% of their income. His solution to divorce is to drive nearly all fathers down to the poverty level to protect the living standard of the children and the mom.

Without a doubt, Eden’s 1977 book was one of the most poorly researched and gender-biased books I have ever read. The fact that this book was the basis of the 1982 Judge’s Economic Table, and therefore the basis for the current Economic Table, is every bit as shameful as the manipulations of data by Weitzman, Williams and Betson. It is extremely disturbing to discover the extent to which a long history of authors were willing go to maximize the sugar in the mom’s sugar bowl. This list of “per capita” advocates started with the original USDA authors, then went through Eden, Weitzman, Judge Shellan, Williams and finally Betson.

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<sup>37</sup> Eden, P. (1977) Estimating Child and Spousal Support, Western Book Journal Press: San Mateo, CA as reproduced in Uniform Child Support Guidelines. Washington State Association of Superior Court Judges, July 1982.

Of historical interest, Eden presents on page 50 a summary of California Economic Tables used in 1976. The Table was prepared by J. Hillary Cook, Judge of the Superior Court of Alpine County. A version of it is reproduced below.

CMNI	Range for All Ages (\$)	Range for All Ages (%)	Age 7 to 9 What Eden claimed was the USDA per capita estimate (\$)	Age 7 to 9 What Eden claimed was the USDA (%)	Age 7 to 9 What the USDA really estimated (%)
\$500	\$75-100	15-20%	\$100	20%	<b>25%</b>
\$1000	\$100-200	10-20%	\$204	20%	<b>25%</b>
\$2000	\$150-250	8-13%	\$408	20%	<b>25%</b>

For one child, does not include alimony. Original table did not include final column.

This Table confirms that child support rates ranged from 8% to 20% for the State of California in 1976. However, Eden never explained where he gets his estimate of 20% for what child support rates “should be.” Earlier in the book, he repeatedly used the example of two children, a 7 year old and a 10 year old, where the younger child was 20% and the older child was 22%. This was taken from the standard USDA chart for a 2-child family which has always claimed that 2 children total 42%.

However, the USDA has also always claimed that a single child (as listed in the above chart) is 25% (and the second child is typically listed at 17% making both together 25% + 17% = 42%). So it is clear that Eden made an error in listing the per capita estimate for one child as 20% instead of 25% in the above chart. The only question is whether the error was a deliberate attempt to hide the truly extreme nature of the USDA estimation method (that the USDA 25% estimate was in fact much higher than any existing California Table). Given all the later attempts to cover up the extreme nature of USDA per capita estimates, it is now apparent that Eden deliberately falsified the estimate in the above table.

The attempt to cover up the extreme nature of USDA per capita estimate was continued by Judge Shellan in Washington State as the next example clearly shows. On page 18 of the 1982 Washington State report, the authors continued: *“The “equal shares” (per capita) assumption used to develop the 16-17 years of age figures was known at the outset not to be appropriate when children are younger, and some basis for adjustment was sought. The table developed by Philip Eden from the USDA estimates was used for this basis (Table 3, page 19). “*

This is where a outrageous math trick was employed to get the USDA data to conform more closely to the prior existing tables. Here is how the math trick worked: The authors averaged the 1 child to 4 children rates from the 1973 USDA (per capita) estimate. For age 6, these rates ranged from 25% for one child to 14% for each of 4 children (See **bolded row** in the Chart below).

The following chart is the same as that on page 19 of the 1982 Washington State report, which was taken from page 87 of Eden (1977) which in turn was taken from page 25 of the USDA 1971 report.

Age of child	1 child USDA Per ca	Average of age cells	Each of 2 children	Average of age cells	Each of 3 children	Average of age cells	Each of 4 children	Average of age cells	Average of all cells
Under 1	23		18		14		11		
1	23		18		14		11		
2-3	24	24%	19	19%	15	15%	12	12%	17%
4-5	25		20		16		13		
<b>6</b>	<b>25</b>		<b>20</b>		<b>17</b>		<b>14</b>		
7-9	26		21		17		14		
10-11	27		22		18		15		
12	27	27%	23	22.5%	19	18.5%	16	15.5%	20%
13-15	28		24		20		17		
16-17	29	29%	25	25%	21	21%	18	18%	23%

Instead of simply using the USDA rates for one child (25%), the author of the 1982 Washington State report began by using the USDA per capita estimate for 16 to 17 year old kids of 29%. They then took the average of 16 to 17 year old kids who were in families of one to four children. Thus,  $29 + 25 + 21 + 18 = 93/4 = 23\%$ .

Next, all the cells for ages 7 to 15 were added together for families of 1 to 4 kids. This result was 20%. For kids under age 7, the result was 17%.

These ratios were then compared to the 23% average for 16-17 year old kids. For example,  $23\% - 20\%/23\% = 13\%$  led to a 13% reduction in the per capita estimate for kids ages 7 to 15.  $23\% - 17\%/23\%$  led to a 26% reduction for kids ages 0 to 6. A Table was then created based a per capita rate of 29% for ages 16-17 at lower incomes with subtractions for younger kids and subtractions for higher incomes. By using the four kid column to estimate the reduction for one child, this math trick was simply a means of reducing the “per capita” estimate of 24% for one child under age 6 down to more common and politically acceptable estimate of 21% by including the (much lower) per child costs of a four child family to artificially drive down the cost of a one child family!

Compare the percentages in the above chart to the percentages in the 1985 Table:

Age of child	Combined Monthly Net	Income multiplier	1 child (33%)	Each of 2 children (50%)	Each of 3 kids (60%)	Each of 4 kids (66%)
<b>0 to 6</b>	<b>1000</b>	<b>100%</b>	<b>21</b>	<b>17</b>	<b>15</b>	<b>12</b>
<b>7-15</b>	<b>1000</b>	<b>100%</b>	<b>25</b>	<b>20</b>	<b>18</b>	<b>15</b>
<b>16-17</b>	<b>1000</b>	<b>100%</b>	<b>29</b>	<b>23</b>	<b>20</b>	<b>17</b>
0 to 6	2000	72%	15	13	11	10
7-15	2000	72%	18	15	13	11
16-17	2000	72%	21	17	15	13
0 to 6	3000	62%	13	11	9	8
7-15	3000	62%	16	13	13	10
16-17	3000	62%	18	15	13	11

An income multiplier was used to determine total family expenses as a percentage of total income. Since CEX reported family expenses exceeded CEX reported income for incomes below \$1,000 per month, this ratio was artificially lowered to 100%. For higher incomes, “non-basic support expenditures” (mainly savings) were subtracted from the total family income. For \$2,000 per month, the ratio was 72% implying a savings rate of 28%. For \$3,000 per month, the ratio was 62%, implying a savings rate of 38%.

Comparing the two tables, it is obvious that the percentages in the 1985 Economic Table cannot be determined from the Eden/USDA Table they were supposedly derived from. This is most obvious at the \$1,000 monthly income level. As the income multiplier is 100%, the numbers should be about identical. For the age 16-17 group, they should be exactly identical as there was supposedly no “adjustments” made for this age group (It was the per capita base age group). Thus, this age group at \$1,000 should have been 29-25-21-18. Instead, it was 29-23-20-17. Likewise, for one child at \$1,000, the age breakdown should have been 29-27-24. Instead, it was 29-25-21.

The non-family expense/savings rates of 28% to 38% for higher income families was even more implausible. The whole point of this “adjustment” like the other adjustments was purely an attempt to artificially bring the per capita USDA estimates closer to the percentages used in prior existing Economic Tables used in various counties. On page 18 of the 1982 report, the authors noted: “The intent based on a decision of the judge’s Committee on January 15, 1982, was to capture a low figure which did not vary too greatly from the lower schedules presently in use within the state.”

In order to hide the extremely high per capita estimates, the 1982 authors used at least three different math tricks to artificially bring down the per capita estimates. These tricks included a “combined family” trick, an “income adjustment” trick, and an unspecified adjustment fudge factor. All three artificially reduced the per capita estimates from an average of 25 to 29% down to a more politically acceptable 18 to 22% for most children and most incomes. These “math tricks” are every bit as outrageous as any math tricks used by Lenore Weitzman and/or Dr. Betson. Using a more straightforward method of calculation was viewed as being “undesirable for ad hoc reasons relating to existing schedule practices.” (7/10/82, page 18). But per capita estimates should be ignored as they are based upon the fraudulent assumption that children cost as much as adults.

### **More evidence that per capita estimates over-state child costs**

The references on pages 20 to 21 of the 1982 Shellan report included *Watts, Harold W. (1980) Special Panel Suggests Changes in the BLS Family Budget Program, Monthly Labor Review, December, 1980.* This is interesting because Watts was one of the early leaders in recognizing and providing convincing evidence that Per Capita estimates dramatically over-estimate child costs. Betson (1990) found that Watts Iso-prop 2 method estimated the cost of one child to be about **15%**. This was extremely close to Lazear and Michael (1988) who went on at length for nearly 200 pages documenting the problems with per capita estimates before concluding that the cost of a child using a combination of per capita and marginal estimates was about **16%**. Turchi (1983) used a different method and found that the cost of a child was 17% of the cost of an adult.

Thus, it has been repeatedly shown by Lazear and Michael (1988), Turchi (1983), Watts (1977) and most recently by Spring (2008) that spending on children is about 40% of spending on adults and about 17% of total family spending. For a two adult one child family, the “Table cost” of the child is about 14% (and has remained constant for at least 40 years) while the total cost of the child (including child care and health care) ranges from 17% in the 1970’s to 20% as of 2007.

By sharp contrast, the USDA using a per capita method has always found that the total cost of raising one child is between 25% to 33% and the cost of per capita cost of raising two child is between 42% to 50%. Thus, the Judge’s 1982 Panel clearly knew they were using a per capita estimate which dramatically over-states the cost of child rearing. They therefore resorted to a math trick to arbitrarily lower the estimate down to an amount that they felt would be more politically acceptable and closer to existing awards at that time (which were probably in the range of 12 to 15%).

The September, 1986 Final Report by the “Governor’s Executive Task Force on Support Enforcement” did not make any recommended changes to the 1982 to 1985 Child Support Economic Table, other than to continue the “Judge’s Table” adopted in 1982. However, the “Minority Report” attached to this document and written by the two NCP’s on the Task Force made it clear what was motivating the majority of the group:

*“We both feel strongly that more research must be done... We feel that much of the research done has been of poor quality, and perhaps even biased... “The current research that has been most damaging to our cause has been that of Lenore Weitzman, which is being widely publicized by women’s groups. .. We believe this research is seriously biased. “ (1987 Minority Report, page 82 & 83).*

These quotations confirm that Lenore Weitzman was the driving force behind the Judge’s Panel’s efforts at raising child support rates by creating the myth of deadbeat dads in the early 1980’s.

Sadly, and in hindsight, we now know that Weitzman’s faulty conclusions were either based upon a “math error” or based upon Weitzman’s fraudulent misrepresentation of the data, statistical misconduct that was hidden from the public for over 15 years because Weitzman refused to release her data set for public inspection. The question is whether we will make the same mistake made by the Washington State Child Support Commission in 1986 of blindly accepting the advice of an obviously gender biased “expert”, or whether we will learn from that mistake by insisting that any data set used to make public policy (Such as Dr. Betson’s data set) must be released for public inspection before it is trusted as a basis for public policy affecting millions of parents and their children.

To conclude this section, the 1982 to 1986 “Uniform Judges Table” was motivated by Weitzman’s faulty study and based in part on Eden’s reliance on the USDA per capita estimates of child costs. These per capita estimates were artificially lowered to more politically acceptable levels through the use of three different “math tricks.” These math tricks placed the highest burden on the lowest income NCP’s and on NCP’s with older children (specifically NCP’s with children ages 16 to 17).

**1987 to 1991: Washington State adopts a “Hybrid” Table**

The 1987 Washington State report states on page 2: *On May 18, 1987, Governor Booth Gardner approved SHB 418 creating the Washington State Child Support Schedule Commission.... The Commission was created in response to a growing concern that the current guidelines used by the various counties were inadequate. ... The task of the Commission was to study and report on various questions set forth in the legislation ... The goal was to recommend a child support schedule that was comprehensive and could be applied statewide.. The Commission sought to develop a schedule that apportions the costs of raising children as equitably as possible among those who are legally responsible, and that minimizes the economic impact on children of separated parents, so far as was practical.*

The Commission met at least twice a month and held 14 public hearings around the state. While the large number of public meetings was commendable, there is no evidence that the Commission paid any attention to comments made by the public.

The 1987 report added on page 3:

*The Commission was specifically directed by the legislature to propose a child support schedule after studying the following factors:*

- 1. Updated economic data;*
- 2. Family spending and the costs of raising children;*
- 3. Adjustments based upon the child’s age level;*
- 4. The basic needs of children;*
- 5. Family size;*
- 6. The parents’ combined income;*
- 7. Differing costs of living throughout the state; and*
- 8. Provisions for health care coverage and child care payments.*

*The Commission was directed to establish standards for applying the child support schedule, to be based primarily on income. .. For the most part, the Commission relied on its members for information and education. .. The Commission was not reluctant to consult with any resource available to aid its progress. .. The Objective was to propose a schedule which would establish an adequate level of support for children and would be equitable to the parents.*

Among the Principles listed on page 8 was the following:

*A schedule should recognize the involvement of both parents in the child’s upbringing. It should take into account the financial support provided directly by parents in shared physical custody or extended visitation arrangements. .*

On page 11, the authors described the model chosen by the Commission: *At least 18 states have adopted or are considering adoption of child support schedules that are based on the Income Sharing Model or on a hybridization of the Income Shares Model with the Cost Sharing Model. The model suggests first that parental income be totaled. Next, the percentage of that total income that would have been spent on the children had the family remained intact is calculated and allotted to child support. Finally, each parent pays the percentage of child support that would correspond to their relative share (percentage) of the combined total income. The actual flow of child support payments will then depend on the amount of time the child spends with each parent.*

On page 12, the authors add: ***The proposed schedule uses a hybrid Income and Cost Sharing Model similar to the one described in the previous section. It was chosen over the alternatives because of its neutrality regarding residential placement and because it is more equitable in regards to the parents' support obligation, while still providing economic protection for the children.*** On page 11 of the Final Report, it states: *“When there is one child under the age of 12, the percentages range from 22 percent for (annual) incomes below \$5,600 to 16.5 percent for incomes over \$52,000.*

Comments on the 1987 Report: It is clear that the 1987 report was based upon the Economic Table as an estimate of the total child cost with the exception of child care and major medical care, which were separate add-ons. It is also clear that this total cost was intended to be divided between parents based not only on percent of income, but also on percent of time spent with both parents (with an explicit residential credit). However, despite the claim that the 1987 Economic Table was based up Williams (1987), this was not really the case. The State Table had the same average of Williams, but was a relatively flat table, while Williams Table was a regressive Table.

In 1987, Robert Williams published an alternate model intended to compete with the Wisconsin Flat rate model. Williams had started a private child support collection company in 1984 called PSI. However he was also still working for the Office of Child Support Enforcement who was given the task of implementing the 1988 federal “Family Support Act.” What was most interesting about Williams 1987 study was that he used a similar method to that used by Spring (2008) to establish the minimum child cost. Williams (1987) used 100% of the 1986 U.S. Poverty Guideline while Spring (2008) used 125% of the 2007 U.S. Poverty Guideline. (See Williams, 1987, page II-15).

Williams produced the following charts:

**PERCENT OF NET INCOME DEVOTED TO SUPPORT CHILDREN IN INTACT FAMILIES<sup>38</sup>**

Income level	\$0-\$10,650	\$10,651-\$16,725	\$16,726-\$28,200	\$28,201-\$39,975	\$39,976-\$51,875	Over \$51,875
1 child	26.0%	25.6%	23.8%	22.9%	21.8%	19.2%
2	40.4	39.8	36.9	35.5	33.9	29.7
3	50.6	49.8	46.1	44.4	42.4	37.2

**TABLE COST PERCENT OF NET INCOME MINUS CHILD CARE AND HEALTH CARE**

Income level	\$0-\$10,650	\$10,651-\$16,725	\$16,726-\$28,200	\$28,201-\$39,975	\$39,976-\$51,875	Over \$51,875
1 child	23.7%	23.3%	21.6%	21.0%	20.1%	17.8%
2	36.7	36.1	33.5	32.7	31.2	27.7
3	46.3	45.2	42.0	40.9	39.0	34.7

Williams claimed his model and the above estimates were based upon the research of Thomas Espenshade (1984). However, since Espenshade did not use fixed income in his model, it is not possible that Williams detailed child support table was based upon Espenshade’s book.

<sup>38</sup> Williams, R. (1987) Guidelines for setting levels of child support orders. Family Law Quarterly 21 281-289. See also Williams Robert (1987) *Development of Guidelines for Child Support Orders: Advisory Panel Recommendations and Final Report*, Office of Child Support Enforcement, United States Department of Health and Human Services, Page II-29 and II-70.

Williams further claimed that his model was based upon the Engel indirect proxy method. It is worth noting that Williams degree was in Social policy. He therefore had little training in economics or in statistical analysis. Perhaps this is why **Williams never fully explained his methodology or disclosed his data set.** Williams concedes that he had to do some serious arm twisting of the data to take Espenshade’s three socio-economic estimates of child costs and convert them into an income based economic table. On page 11-28 of Williams (1987), he states: *“The applicability of (Espenshade’s) estimates for child support guidelines is limited, since – as noted above – the SES categories (used by Espenshade) do not directly correspond to income categories.”* On the very next page (II-29), Williams produces a table claiming to convert Espenshade’s three SES groups to precise child cost-to-income ratios. What is strange about this table is that Espenshade’s three income groups (Low SES = 34.8%, medium SES = 29.9 % and high SES = 23.2 % all estimating costs for two children) wound up being ratios for middle income to high income to extremely high income groups on page II-29. In other words, **there is no correspondence between Espenshade’s SES groupings on page II-28 and Williams highly detailed table on page II-29.**

A few things should be noted about Williams estimates of child costs. First, the Williams estimates are much higher than the anything that had been seen in any prior child cost research (other than the faulty research of Weitzman and the per capita estimates of the USDA and Eden). For example, in 1983, Turchi, conducted a marginal Rothbarth estimate of the 1972-1973 CEX and got a one child total cost estimate of 17%. This was supported by the Wisconsin flat rate estimated total child cost of 17%. Subtracting 3% from both of these estimates for the 1970’s child care and health care cost, meant that the Table cost for the 1970’s should have been about 14%. By sharp contrast, Williams conclusion was that total child costs were about 25% for one child (which was even higher than Weitzman’s estimate and nearly identical to a per capita total child cost estimates of Eden and the USDA!). Since Williams has never released his methods or his data set, there is no way of telling whether Williams used a marginal or per capita estimation method. Subtracting 4% for the 1980’s child care and health care costs, this left a table cost of 21% for the Williams 1987 study. The following chart shows a comparison of the 1987 Williams study to the 1985 Washington State Economic Table <sup>39</sup> to the current Economic Table:

**Comparison of 1985 to 2007 Washington State Economic Tables**

Economic Table	CNMI 1,000	CNMI 2,000	CNMI 3000	CNMI 4000	CNMI 5000	CNMI 6000	CNMI 7000
1985 Judges Table	23%	<b>17%</b>	14%	13%	12%	12%	NA
1987 Williams**	23%	22%	21%	20%	18%	NA	NA
1988 Hybrid Washington Table	22%	21%	19%	20%	20%	19%	19%
1991 to 2007 Current Table	NA	21%	19%	15%	15%	14%	14%

\* = Williams, (1987) child cost to net income chart. CNMI = Combined Net Monthly Income  
 NA= Not applicable (1,000 below the 2007 SSR, 7,000 above the maximum table in 1985).

<sup>39</sup> Calculated from the Uniform Child Support Guidelines, Revised Effective January 1985, Washington State Association of Superior Court Judges, Family Law Committee and Office of the Administrator for the Courts.

While the current Washington Economic Table is supposedly based on the Williams Income Shares model, the differences between the Williams row and the Washington Economic Table row make it clear that **the current Washington State Table is not based upon the Williams Income Shares Table. So what is the Washington Economic Table based on?** The current Economic Table appears to be the result of a 1991 legislative compromise between the 1987 Hybrid Table and the prior Washington State 1985 Judges Economic Table. It is worth noting that the median Economic Table cost in the 1985 Judges Table was 17%, only slightly higher than the Combined Cost rate of 15% calculated by Spring in 2008.

Despite the use of the Hybrid Economic Table in 14 counties, as late as 1990, there were 17 “hold-out counties” still using a Table similar to the 1985 Judge’s Table. Offending counties included Clark and Spokane counties along with 15 other counties. This practice was described and analyzed in the “Survey of Child Support Orders in Washington State”, Final Report to the Washington State Child Support Schedule Commission, January 19, 1990 (See Appendix C, page 82 for a list of counties). While this was a large number of counties, percentage-wise only a small percentage of orders were affected as most families lived in King and other larger counties.

**This Table compares historical “alternate” rates used in selected counties:**

CMNI	1982-1987 Judge Shellan Table	1982-1987 Judge Shellan Table %	1988-1990 State-King County	1988-1990 State-King County %	1990 State-Clark County (1)	1990 State-Clark County %	1991-Current Table	1991-Current Table %
1000	231	23	220	22	220	22	220	22
2000	332	17	427	21	427	21	427	21
3000	433	14	623	19	561	19	561	19
4000	533	13	812	20	609	15	609	15
5000	610	12	984	20	739	15	738	15
6000	736	12	1149	19	862	14	862	14
7000	NA	NA	1314	19	986	14	986	14

(1) Chelan, Douglas, Kittitas, Kitsap, Lincoln, Pierce, Skagit, Spokane, Ferry, Mason, Pend Oreille, Stevens, Snohomish, Thurston, Whatcum, Whitman and Yakima County Schedules were identical to the Clark County Schedule. All rates are for one child under the age of 12.

**1992 to the present: Washington abandons the Hybrid Economic Table and instead adopts a political compromise Economic Table**

Thus, by 1990, Washington State was covered by two schedules. The higher Hybrid Table was used primarily in King County -while the rest of the State used the lower Clark county – “Legislative Compromise” Table. However, by 1992, the legislature decided to abandon the higher Hybrid Table with the whole State of Washington adopting the Clark County – Legislative Compromise Table. This is probably the only time in the history of Washington State that the powerful political lobby from King County did not get its way.

The true history of the Washington State Economic Table is extremely complex. It began with the corrupt studies of Lenore Weitzman in the late 1970's which in turn were prompted by the highly inflated "per capita" USDA estimates of Eden in 1977. Weitzman and Eden were able to convince Judge Shellan that it was reasonable to use a "per capita" method to estimate child costs. This "per capita" method assumes that a family spends as much on children as they do on adults. Thus, Eden and Judge Shellan estimated that children cost 25% to 29%.

This very high estimate was not politically acceptable, so tricks were used to create a "legislative compromise" table in 1982. This compromise table stayed in effect until 1987 when it was ditched in King County for a hybrid Table using both Williams Income Shares Table and a prior Cost Shares Table. But the rest of the State objected to the new Hybrid Table as being too high. Thus, for 5 years, there were two tables, the Hybrid Table used mainly in King County and a Legislative Compromise version of the Shellan Table used in the rest of the State. Then in 1991, the conflict between the two tables was resolved by ditching the Hybrid Table in favor of the Clark County Legislative compromise Table which in turn was based in part on Judge Shellan's 1985 Table. Thus, **the answer to where our current Table comes from is that it is the result of a long history of data manipulation combined with political compromises.**

Yet, even in 1991, a mountain of evidence was already available that families spend far less on children than on adults. According to Lazear and Michael (1988), families only 16% of family income on one child. This was a total child cost in 1973. This meant that an accurate Table Cost in 1973 would have been 16% - 3% Child care cost = 13%. And since the only cost that has risen as a percentage of total costs since then has been child care and major medical, the Table Cost is still between 14% to 15% with a total maximum cost of 19% to 20%. This result of a maximum of 15% for the Economic Table is fairly obvious now as it has been replicated by numerous top down and bottom up studies from at least a dozen different economists.

So the question becomes why was this not also obvious to Judge Shellan in 1981??? How could any intelligent and rational person believe that a "per capita" estimate was a reasonable estimate of child costs? The answer lies not in science, but in politics. There was and still is a political drive to protect and provide for children. And there is always another snake oil salesman, like Eden and Weitzman, waiting in the wings and ready to tell Judge Shellan what he wants to hear.. that child support rates are too low and need to be raised.

In the 1970's, the snake oil salesman was Philip Eden pushing for a "per capita" estimate. In the 1980's, it was Lenore Weitzman pushing for a "per capita" estimate. Even though her study was discredited in the 1990's, now we have Dr. Betson once again pushing for a "per capita" estimate. Lazear and Michael (1988) showed there has been essentially no change in the underlying CEX data going all the way back to 1960. They also showed that "per capita" estimates grossly over-estimate child costs. But every 10 years or so, a new guru emerges willing to advocate for raising child support rates. And every time, the claim for a need to raise child support rates is nothing more than an argument to switch from a 15% marginal cost method for estimating child costs to a 25% "per capita" method for estimating child costs.

The reason we have a 20% Table today is because Judge Shellan realized that a real per capita Table of 25% was politically unacceptable. He therefore used a “math tricks” to artificially lower the rate to 20%. Williams then came along with a Marginal Engel study in 1987 which also had a rate of about 20%. In hindsight, it has been conceded that the Engel method is itself a partial per capita method which always over-estimates child costs by about 20%. The reason Engel estimates are always high is because children are food intensive.

**Thus, there is no question that the current Table is NOT based upon Williams Income Shares model.** Instead it is based upon a combination of Eden’s excessive per capita estimates promoted by Weitzman’s fraudulent studies and then adjusted by Shellan’s math tricks to make it similar to Williams Marginal Engel study which really had nothing to do with Espenshade’s study. What is clear is that legal corruption and statistical dishonesty were rampant back then, and the same problem still exists today in the form of Dr. Betson and his associates at PSI.

Thus on the surface, this appears to have always been a simple battle between a marginal estimate of 15% and a per capita estimate of 25%. But since it is known now, and has always been known, that per capita estimates greater over-state child costs, what this is today, and has always been is **a contest between honesty and dishonesty.**

The legislature has in the past chosen a compromise between the marginal Table estimate of 15% and the per capita Table estimate of 25%. Thus, we have a Table rate of about 20% for a total cost estimate of about 25%. But such a compromise assumes that each position is equally valid. But using “split the difference” logic simply rewards those who falsify their data and also over-charges NCP’s by 20% to 30%.

In 1992, the legislature had the courage to roll back rates for those with very high incomes (above \$4,000 per month) from the prior 20% to about 15%. However, the price for this roll back was the loss of an automatic residential credit for NCP’s who spend significant time with their kids. This residential credit had been available since 1982 for dads who spent at least 91 over nights with their children (25% of the time equaled a 25% credit). Also, the roll back occurred only in King County as the rest of the State was already using the Clark county schedule, which then became the same State-wide schedule we are still using today. But even this schedule greatly over-charges lower income NCP’s. Today, the question becomes whether the legislature has the courage to level the playing field by adopting a lower rate for lower income NCP’s to eliminate at least some of the disparity and add back the automatic residential credit for all NCP’s to reduce the rest of the disparity.

## **Section Six: Problems with the Betson Rothbarth Per Capita Method.**

In 1989, Dr. David Betson emerged on the Child Support scene. Dr. Betson had gotten his PHD in Economics in 1980 from the Wisconsin Institute of Research on Poverty. But his area of specialty was not child costs, but rather labor supply. The title of his PHD Thesis was "*Labor Supply Functions and their Implicit Expenditure Functions: Theoretical Derivation and Application in Microsimulation.*" Despite not having a background in child support issues, Robert Williams, who had started PSI in 1984, but still worked for the federal Office of Child Support Enforcement, and/or Williams associates at the Office of Child Support Enforcement (DHHS) gave Dr. Betson the contract in 1989 to produce an analysis of various methods for estimating child costs.

In 1990, Dr. Betson released the results. He compared 9 methods for estimating child costs<sup>40</sup>. Curiously all nine were indirect proxy methods (the method of choice of Williams Income Shares model). These 9 methods were:

Engel 1: using food at home as an indirect proxy to estimate child costs.

Engel 2: using total food as an indirect proxy of child costs.

Rothbarth 1: Using tobacco, alcohol and adult clothing as an indirect proxy.

Rothbarth 2: Using only adult clothing as an indirect proxy of child costs.

Iso-prop 1: Using food, housing, clothing and health care costs as an indirect proxy.

Iso-prop 2: Using food, housing, and clothing costs as an indirect proxy.

Iso-prop 3: using only food and housing as an indirect proxy.

Barten-Gorman: used a whole list of items as an indirect proxy but also using a rather complex weighting scheme for each item.

Lazear and Michael (1988): used a marginal Rothbarth method. This method was used for a control as it was apparently one of the most credible estimates back in 1990.

Betson correctly concluded that the two Engel methods over-estimated child costs and thus should be discounted. Betson also noted statistical problems with the Barten-Gorman method. In 1994 Bradbury<sup>41</sup> compared a variety of indirect proxy methods for estimating the cost of children. He specifically explained why the Barten model led to "implausible" results. On page 122, Bradbury notes that the Barten model assumes that "*the household is comprised of individuals with identical tastes. This (is) the main limitation of the Barten model since parents' consumption preferences for their children are usually different to those for themselves. Hence the Barten model can imply quite implausible relationships between consumption and family composition.*"

However, for some strange reason, Betson failed to recognize the major shortcoming of the Rothbarth method which was that there is no consistent relationship between family spending on adult clothing and family spending on children. The lack of a relationship between these two variables is clearly shown in the "R –Squared/Explained variation" results as reported in several studies.

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<sup>40</sup> Betson, D. (1990) Alternative Estimates of the Cost of Children From the 1980-86 Consumer Expenditure Survey, *Institute for Research on Poverty*, University of Wisconsin, Special Report No. 51.

<sup>41</sup> Bradbury, B. 1994, Measuring the Cost of Children, *Australian Economic Papers*, June 1994, 120-138.

**Explanation of Explained Variation (R-Squared)**

In Statistical Analysis, the consistency of relationship between two variables (also called goodness of fit between a model and the data) is estimated by “explained variation” or the variation in the data set which can be explained by the proposed model. Listed in statistical tables as “R squared”, explained variation is one of the most important statistics used to analyze data. If the explained variation was 100%, then the model was extremely accurate and able to explain the data perfectly. However, if the explained variation is under 10%, then there is no relationship at all explained by the model and the model is useless for predicting the data. If the explained variation is under 20%, there is no consistent relationship between the two variables. Generally speaking, weak models explain about 20 to 50% of the variation and stronger models explain over 50% of the variation. Explained variation can also be thought of as the predictability or the consistency of the relationship between the variables the model is attempting to explain. R Squared (explained variation) is “*the amount of variation in the outcome variable (in this case child costs) that can be explained by the predicting variable (adult clothing)*”<sup>42</sup>

As is shown in the following chart, Dr. Betson’s study clearly confirmed that the Rothbarth model is not able to predict spending on child clothing while other models, such as the ISO-PROP 2 model are at least somewhat predictive. Using all responders to the CEX, the ISO-PROP 2 method (recommended by Watts) explains about 27% of the variation, while the Rothbarth 2 method explains only 8% of the variation.

**Explained variation of complete versus incomplete responders**

Indirect proxy Method used	Type of intact family	Type of responders Complete = 3+ interviews	Percent of Explained variation	Betson (1990) Reference page
Iso 2 method	With children	All responders	29	118
(Food, housing	No children	All responders	25	118
And clothing)	With children	Only complete	27	119
	No children	Only complete	25	119
<b>Rothbarth 2</b>	With children	<b>All responders</b>	<b>9*</b>	130
<b>(Adult clothing</b>	No children	<b>All responders</b>	<b>7*</b>	130
<b>As proxy)</b>	With children	<b>Only complete</b>	<b>23</b>	131
	No children	<b>Only complete</b>	<b>22</b>	131

Note the dramatic difference between complete and incomplete responders for the Rothbarth method. This confirms there is no consistent relationship between spending on adult clothing and spending on children when all responders are included. This table clearly shows why Betson had to eliminate the 11,000 intact families who were incomplete CEX responders from his later samples. It was to artificially raise the percent of explained variation by only including complete responders. I had predicted in the Analysis of Child Support Issues that including incomplete responders would dramatically lower the explained variation. The above Table, taken directly from Betson’s 1990 study confirms that Betson was fully aware of this, which is why Betson, like Weitzman before him, refused to release his data set for further analysis.

<sup>42</sup> See Field, A. (2005) Discovering Statistics Using SPSS, Second Edition, pages 148 to 172 for a description on measuring and using R squared to determine the goodness of fit of a model and generalization from samples to populations.

Other studies have also reported an inconsistent relationship between spending on adult clothing and spending on children. For example, Bradbury (1994) reported that adult clothing expenditures (Rothbarth model) was only able to explain 1% of the variation in child spending. On page 133, Bradbury noted *“the estimates are still far from the precision required for policy applications... the large degree of variation in clothing expenditure meant that these were not statistically significant... the standard errors for all these estimates are quite large, and so it is difficult to make any strong inferences.”*

On page 135, Bradbury first described the “selfish parent substitution” assumption which if true, might lead to the conclusion that the Rothbarth method might underestimate child rearing costs. He then adds, *“ However, if we are to permit the parents to take account of the welfare of their children, then the main price effect may be to substitute consumption away from all individual goods (including adult clothing) and towards family goods as these are most efficient in increasing the welfare of all family members. In this case, the opposite reasoning would apply, and the adult goods method would over-estimate the cost of children.”* However, the direction of any substitution effects is *“very much dwarfed by the practical estimation problems... the wide variation in adult clothing expenditures.. means that little precision can be attached to these estimates.”* (Bradbury, 1994, page 135).

Put in plain English, **what Bradbury is saying is that there is no consistent relationship between spending on adult clothing and spending on children.** In this respect, Bradbury’s conclusion is not different that the conclusion that Betson arrived at in his 1990 study where he found that the Rothbarth adult clothing model was only able to explain 8% of the variation in spending on children. Thus the problem of the Betson Rothbarth model is not whether it under-estimates or over-estimates spending on children, but rather that **any estimate it gives is completely unreliable.**

### **Betson and Data Mining**

The above chart confirms that there is no consistent relationship between spending on adult clothing and spending on children if one includes all responders to the CEX. How Betson was able to artificially create a relationship, when in fact none really exists was by carefully and deliberately deleting from his sample all incomplete responders. Using this statistical trick of eliminating over half of all intact US families, Betson artificially raised the percentage of explained variation from 8 % to 22%. In statistical analysis, manipulation of the sample size to create relationships where none exists is known as “data mining.” It is regarded as such an unethical practice that any graduate student who did what Dr. Betson did would be kicked out of Graduate School. Dr. Betson’s gender bias and desire to fill the mother’s sugar bowl was so extreme that he was willing to dump over half of his sample in order to achieve his objectives of artificially raising his child cost estimate.

### **Combination Cost method is a better predictor**

Betson also analyzed the same data using the Iso-prop 2 method in which food, housing and clothing expenditures are used as an indirect proxy to estimate child costs. This model was found to be a much better (but still poor) predictor of child costs. The explained variation was 27% for complete responders compared to 8 % for the Rothbarth method. So why didn’t Betson use the ISO-PROP 2 indirect proxy to estimate child costs??? The following chart of Betson’s 1990 results shows why.

**Percentage spent on children in intact families**

Total Annual Expenses (1990 \$)	Iso-prop 2 Food, housing and clothing. All obs page 184	Iso-prop 2 Table cost (excluding child care and health care) = 3%	Rothbarth 2: Adult Clothing All observations Page 190	Rothbarth 2 Table Cost (excluding child care and health care) = 3%
10,000	15	12	25	22
20,000	15	12	25	21
30,000	15	12	23	20
40,000	15	12	23	20
50,000	14	11	22	19
<b>median</b>	<b>15%</b>	<b>12%</b>	<b>25%</b>	<b>21%</b>
<b>range</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>	<b>4%</b>

**Choosing between the two models**

How does one chose between these two models? The Iso-2 combines three different essential items to estimate child costs. It includes a balance of items some of which are child-intensive (Like food) and some of which are not child –intensive (like housing). It was recommended by Watts, one of the leading economists in the US in the 1980’s because it is thus very similar to a cost share estimate.<sup>43</sup> Also it explains about 28% of the total variation in spending between families, meaning there is some small relationship between the two variables. **The Iso-prop 2 method indicated that total child costs were about 15% which was similar to all previous marginal research.**

On the other hand, the Rothbarth 2 method uses non-essential adult clothing spending to estimate child costs. This model explains 8% of the total variation, excluding all non-responders. Had the non-responders been accounted for the explained variation would have fallen below 5%, meaning there is not any consistent relationship between the spending on adult clothing and spending on children. In addition, this model predicted that total child costs were about 24% which was similar to the Williams result and the Weitzman result, and the USDA per capita result, but not in keeping with any other prior “marginal” research on child costs. While the more reliable model gave a child cost of 15% and the less reliable model gave a cost of 24%, Dr. Betson has since admitted a concern for keeping as much sugar as possible in the mother’s food bowl because the mother and child eat out of the same food bowl, while the child apparently is left to starve when with the father.. Thus, **the only reason for choosing the Rothbarth model over the more holistic Iso-prop 2 model was to artificially drive up the estimate of child costs in order to put more sugar in the mom’s sugar bowl.**

But choosing the Rothbarth model created three problems for Dr. Betson. The first was the fact that there was no consistent relationship between adult clothing and child costs. Dr. Betson solved this problem by always deliberately eliminating all incomplete responders and all non-responders in all his future Rothbarth studies in order to artificially raise the percentage of explained variation. This eliminated over 66% of all intact American families from his estimate.

<sup>43</sup> Watts. H.W. (1967) The Iso-prop Index: An Approach to the Determination of Differential Poverty Income Thresholds. Journal of Human Resources 2: 3-18.

The second problem was how to explain to others why he chose the less reliable method. He could not openly state it was to maximize the sugar in the mom's sugar bowl. So here is what he wrote instead:

*"The ISO-PROP approach resembles the Engel approach, but differs in several ways. By including other goods which could be considered necessities, this approach potentially could overcome some objections to the Engel method. However, the estimates from this method are quite different if we compare one and two adult families. For ISO-PROP 2 (which includes food at home, shelter and clothing), the average and marginal cost is equal to a constant 14% of total expenditures. (However) For one adult families, the estimates reflect almost a per capita apportionment of expenditures. The reason for this result is not clear. Given the sensitivity of the estimates to what is included in the definition of a necessity, the robustness of these results is questionable. The ISO-PROP approach, as opposed to other approaches, was significantly affected by the choice of the level of total expenditures. For all of these reasons, I have tended to discount the ISO-PROP estimates." (page 56).*

In other words, Betson discounted the Iso-prop method because it showed that child costs as a ratio are lower in intact families than non-intact families. Yet we know this must be true for the obvious reason that income is much less in non-intact families because the CEX only counts the income of the single parent. If the income is cut in half and the child cost stays about the same, the ratio must double. Also the Iso prop method varies depending on what is defined as essential cost. But we also know this is true. Therefore, Iso-prop method should not have been discounted at all. Instead, because it recognizes that children do not increase housing costs, relative to the increase in food costs, Iso-prop is far more accurate than any other proxy method.

Betson rationalizes his choice of the Rothbarth method by noting that the Rothbarth estimate gives similar ratio estimates of child costs for one and two parent families. (page 56-57) he says: *"The similarity of (Rothbarth) results for one and two parent families is striking"*. But if the ratios really were the same, since income in a single family is half the income of an intact family, this would mean that actual child cost in dollars in a non-intact family would only be half the cost of a child in an intact family. This is clearly not true. Child costs are less in non-intact families, but they do not fall in the same proportion as the single parent's income. Such a thing would be completely contrary to the income shares assumption that child expenditures should remain the same after divorce. If this assumption were true (which it is not), then the ratio in the single parent household should be double the ratio in the intact family but not the same ratio. A second reason Betson chose the Rothbarth estimate was that in his experience, *"the percentage of total expenditure devoted to children remains constant"*. (Page 57). Yet the Rothbarth estimate does not yield a constant percentage. Only Iso prop does this. Betson then concludes *"My best guess of the total cost of raising children, expressed as a percentage of total household expenditures is 25%, 35% and 40% for one, two and three children in a two parent household."* (page 57). Betson based his "best guess" on a Rothbarth result of 25% for a median family. However, on page 194 of his analysis, Betson noted that Lazear got a Rothbarth result of 19%. Betson then claimed that his results were "remarkably similar" to Lazear and, even though there was a  $6\%/19\% = 32\%$  difference, Betson was not convinced these two estimates were "statistically different" (Betson, 1990, page 194).

However, since the standard deviation was about 2%, and the 95% confidence level for Betson's Rothbarth estimate range from 21 to 29% (+/- 2%), there was less than a 5% chance that a 19% result was similar to the Betson result of 25%. But in fact, when one reads the Lazear study<sup>44</sup>, Lazear actually reported on page 87 that the cost of one child was 16%. This was based upon his finding that the cost of a child was 38% of the cost of an adult in an intact 2 parent family. Thus the total percentage of spending in an intact family with one child is  $X + X + (38\%) X = 100\%$ . Each adult is  $X = 100/2.38 = 42\%$  and the child is  $100\% - 84\% = 16\%$ . Thus, Betson over-stated the Lazear result by 3%. Betson apparently was forced to misrepresent Lazear's result because had he reported the real value for Lazear, there would have been no question that Betson's result of 25% was statistically different from Lazear's result of 16% and Betson would have had a lot of explaining to do. The real difference between Betson's result and Lazear's result was  $25\% - 16\% = 8\% / 16\% = 50\%$  increase compared to Lazear's estimate of child cost!!! What is even more damaging is that Turchi's Rothbarth result<sup>45</sup> reported in 1983 was also 16%. So the question remains: Why was Betson's 1990 result 50% greater than Turchi (1983) and Lazear & Michael (1987) even though all three used a Rothbarth method? (Hint: we will shortly show that per capita methods yield results which are about 50% greater than marginal results).

Despite these pretty obvious clues, the question of why Betson's result was 50% higher than other marginal Rothbarth studies even though all three used the same CEX data set remained unanswered for 14 years. Then in 2004, McCaleb et al. (Florida State) completed an analysis of CEX 1999 to 2003 data using two different methods, a marginal Engel method which got an Economic Table result of 17% and a "per capita adjustment" method used by Betson in his 1990 Engel and Rothbarth analysis which got a result of 27%. McCaleb showed that the  $10\% / 17\% = 59\%$  increase in result was entirely due to the Betson "per capita adjustment" that neither McCaleb, Lazear or Turchi had used.<sup>46</sup> This 59% increase is consistent with the increase predicted by several other methods when one uses a per capita estimate instead of a marginal estimate (see chart below). Thus, the real reason Betson was forced to deliberately misreport Lazear's result was to hide the fact that Betson had used a per capita adjustment.

Regarding the Betson per capita adjustment, the Florida State authors noted on page 34: *Following Espenshade, (the Florida State study) uses the log of total family expenditures and its square and the log of family size to control for total family spending and economies of scale. **The Betson model uses the log of per capita family expenditures and its square and the log of family size to control for total family spending and economies of scale. There does not appear to be any substantive economic rationale for choosing one of these specifications over the other, but this difference in specification seems to be driving the differences in estimates.***

<sup>44</sup> Lazear E. P. & Michael, R.T. (1988) *Allocation of Income within the Household*, Chicago: University of Chicago Press.

<sup>45</sup> Turchi, B.A. (1983) Estimating the Cost of Children in the United States, final report to the National Institute of Child Health and Human Development, from the University of North Carolina.

<sup>46</sup> McCaleb, T.S., Macpherson, D.A., & Norrbin, S.C., (2004) *Review and Update of Florida's Child Support Guidelines*, Report to the Florida State Legislature, Florida State University Department of Economics, Tallahassee, Florida.

### **Section Seven: Betson's Top Seven Misrepresentations:**

Much has been written about how Weitzman's "math error" distorted public policy for 15 years before her conclusions were finally exposed as a fraud. Can lightning strike twice? I think it already has. I have written about a dozen areas where Betson has distorted data and misrepresented facts. But most of these distortions are fairly complex. Betson's defenders attempt to claim that all researchers are faced with "choices" and these are merely Betson's choices. However, the following examples are offered with the hope that open minded citizens will think twice about whether these are merely research "choices" or deliberate misrepresentations of the data.

1. **Deleting over 11,000 intact families from his sample** merely because they were incomplete responders. In deleting these families, Betson artificially raised the percentage of explained variation from 8% to 22%. One can argue that it was okay for Betson to eliminate about 20,000 low income non-intact families from his sample because he was only interested in determining the spending patterns of intact families. But if he was truly interested in intact families, there is no excuse for eliminating the thousands of intact families that clearly would have refuted his model. Betson's 1990 study confirms that this deception was deliberate.
2. **Endorsing the Rothbarth method instead of the Iso-prop 2 method**, even though the Iso-prop 2 method clearly addressed the food ratio shortcomings of the Engel method and the variability shortcomings of the Rothbarth method. The only reason to choose the Rothbarth model over the Iso-prop 2 model was to artificially raise the cost of child rearing from 15% to 25%.
3. **Adding a per capita adjustment mechanism to the Rothbarth and Engel models.** McCaleb et al., (2004) clearly confirmed that the result of Betson's per capita adjustment was to raise the estimate of child cost 40% even though there was no change in the underlying data.
4. **Claiming that his 25% "per capita" Rothbarth estimate was a "lower bound"** when in fact there were at least four other (marginal) Rothbarth estimates which had gotten lower results than his, and all around 14% to 17%.
5. **Claiming, at the December 2007 Child Support Work Group meeting, that McCaleb's Florida State study had replicated his method and results.** In fact, McCaleb's study used a much different (marginal) method, and got a much lower (17%) result and specifically commented on and rejected Betson's Per Capita method as artificially inflating the cost of children.
6. **Misrepresenting the Lazear and Michael total child cost estimate as 19% when in fact it was clearly stated as 16.6%.** Betson then claimed that his 25% result was "remarkably similar" to the Lazear and Michael result when in fact they were "significantly" far apart. It is one thing to misrepresent your own data. It is quite another to misreport the results of others.
7. **Claiming at the November Child Support Work Group meeting that the Rogers Cost Shares Website "guarantees" lowering child support payments.** In fact, the Website specifically states that there is no guarantee that child support payments would be lowered.

These seven misdeeds make the "math errors" of Weitzman look relatively minor in comparison. I believe the day will come when the scientific community will hold Dr. Betson accountable for these and numerous other misdeeds documents in the Analysis and in this addendum. In the meantime, I am interested in seeing how much the truth and the scientific method really means to the members of the Washington State Child Support Work Group.

## **Section Eight: 24 PHD Economists who disagree with Dr. Betson**

(listed in order of importance)

McCaleb, T.S., Macpherson, D.A., & Norrbin, S.C., (2004) *Review and Update of Florida's Child Support Guidelines*, Report to the Florida State Legislature, Florida State University Department of Economics, Tallahassee, Florida.

**Concluded that the Economic Table Cost for one child should be about 17%**

Rogers, R.M. & Bieniewicz, (2004) Child Support Guidelines: Underlying methodologies, assumptions and the impact on standards of living, in Comanor (Ed) *The law and Economics of Child Support Payments*, Edward Elgar (Pub) pages 74-75.

**Concluded that the Economic Table Cost for one child should be about 12%**

Lazear, E.P., & Michael, R.T., (1988) *Allocation of Income Within the Household*, Chicago: University of Chicago Press.

**Concluded that the Economic Table Cost for one child should be about 14%**

Turchi, B.A. (1983) *Estimating the Cost of Children in the United States*, report to the National Institute of Child Health and Human Development, from U. N. C.

**Concluded that the Economic Table Cost for one child should be about 14%**

Percival, R. Harding, A. & McDonald P., (1999) *Estimates of the costs of children in Australian families, 1993-94*, Policy Research Paper Number 3, National Center for Social and Economic Modeling, University of Canberra

**Concluded that the Economic Table Cost for one child should be about 11%**

Garfinkel, I, Melli, M.S. & Robertson, J.G. (1994) *Child Support Orders: A Prospective on Reform*, Children and Divorce 4 (1) Spring 1994.

**Concluded that the Economic Table Cost for one child should be about 17%**

Bradbury, B. 1994, 'Measuring the cost of children', *Australian Economic Papers*, June 1994, pp. 120-138.

**Concluded that Rothbarth method always overestimates the cost of children**

Carlucci, M. & Roberto Zelli, R. 1998, 'Expenditure patterns and equivalence scales', paper presented to the 25th General Conference of the International Association for Research in Income and Wealth, Cambridge, 23-29 August.

**Confirmed that the Rothbarth model was invalid because spending on adult clothing followed a different pattern than spending on children.**

Lino, Mark (2000). *Expenditures on Children by Families, 1999* USDA Annual Report).

**Concluded that Betson's methods were not supported by any scientific studies.**

Frasca, R., (2002) *Economic Issues and Arguments in High Income Child Support Cases*, Journal of Forensic Economics 15 (1) 31-44).

**Noted that Betson's method could not be derived from Espenshade's method.**

Henman, P. and Mitchell, K., (2001) *Estimating the Costs of Contact for non-residential parents: A budget standards approach*, J. Social Policy, 30 (3) 495–520.

**Concluded that child costs at the non-residential parent’s house were actually higher on a per day basis than child costs at the residential parents house and thus the non-residential parent was being double charged during any time they spent with the child.**

Van Praag, B.S. & Warnaar, M.F. (1997) The Cost of Children and the Use of Demographic Variables in Consumer Demand, in Rosenzweig & Stark (eds) *Handbook of Population and Family Economics*, Amsterdam, The Netherlands: Elsevier, 241-273.

In a review of the literature dealing with the Betson Rothbarth and Betson Engel indirect proxy methods, the authors noted that the assumptions used by Betson looked plausible, but in fact were extremely dubious. (page 249). In fact, the indirect proxy assumptions (such as the assumed relationship between spending patterns on clothing) were so dubious that it was “**hard to make any meaning out of the values obtained.**” (page 259). They therefore concluded that the Betson methodology was illegitimate.

Comanor, W.S., (2004) *Child Support Payments: A Review of Current Policies, The Law and Economics of Child Support Payments*, Cheltenham, U.K.: Edward Elgar,

**After spending several pages commenting specifically on the inaccurate and implausible assumptions used in the Betson Rothbarth and Betson Engel models, on page 17, Comanor notes:** “*While it is understandable that analysts have sought indirect means to measure the costs of children in order to avoid the problem of dealing with household collective goods, **there is wide recognition among economists that this effort has failed.** Particularly as applied to child support guidelines, we should examine expenditure patterns by families with and without children. Instead of indirect methods, the guidelines should employ consumer survey data **directly to determine the costs of raising children.***”

This more direct approach to estimating child costs was exactly the method employed in the Analysis of Child Support Issues (Spring, 2008).

**Section Nine: Comparison of Marginal to Per Capita Economic Table Estimates**

The following chart compares three different Marginal methods to similar estimates using similar per capita methods. Note that costs are Economic Table costs for one child. Actual cost, including child care and health care, are about 3 to 5% greater. This chart confirms that **Per Capita methods yields child cost estimates that are about 50% higher than marginal methods.**

	<b>Direct Cost studies</b>	<b>Rothbarth studies</b>	<b>Engel Studies</b>
<b>Marginal Estimate</b>	15% (Spring, 2008)	13% (Lazear, 1988)	17% McCaleb, 2004)
<b>Per Capita Estimate</b>	25% (USDA, 2007)	21% (Betson, 1990)	27% (Betson, 2005)
<b>% Increase M to PC</b>	10%/15% = <b>66%</b>	8%/16% = 50%	10%/17% = <b>59%</b>
<b>% Decrease PC to M</b>	10%/25% = 40%	8%/25% = 32%	10%/27% = 37%



**Economic Table Notes:**

- Child care and health care are highly variable and typically add 4 to 8% to the above estimates. Thus, total child cost (and typical court orders) will be 4 to 8% above the Economic Table estimates listed above.
- CMNI = Combined Monthly Net Income of Both Parents.
- IS = Income Shares (Uses income of both parents but estimates child cost by using indirect proxies such as adult clothing or family food)
- CS = Cost Shares, (Uses income of both parents, but based upon actual costs)
- MC = Marginal additional cost,
- PC = Per Capita method. Note that “per capita” estimates are typically about 20 to 30% greater than “marginal” estimates.
- FR=Flat Rate (charges all income levels the same percentage). 3% subtracted from Wisconsin and NY estimates to remove child care and health care from table cost.
- RR=Regressive Rate (charges low income higher percentage than higher income levels).
- WE = Williams Engel (Marginal) method,
- BE = Betson Engel (per capita) Method,
- LR = Lazear Rothbarth (marginal) method.
- BR = Betson Rothbarth (per capita) method.
- Averages are for the median income level (By averaging the 3000 and 4000 estimates).

Thus, as the above Table clearly shows, it is the method of estimation and not the year which determines the percentages. As long as one uses percentages and not dollar amounts, the percentages from one study may be compared to the percentages of another study even though the studies were done in different years. In other words, tables based upon percentages of income have a built in adjustment for the effects of inflation. Inflation should not greatly affect the ratio of child costs to total net income as long as income rises at the same rate as child costs.

What would be problematic would be for the cost of child-intensive items to rise at a rate greater than adult intensive items. For example, it has been shown that children are food intensive in comparison to housing costs. If food rises at a rate greater than housing costs, then the ratio would have to be adjusted upward. However, if housing costs rise at a rate greater than food costs while income to total costs remains the same, then the ratio should be revised downward. Finally, while child costs are lower in Eastern Washington, it is also true that income is lower in Eastern Washington. There is no evidence that the ratio is any different. Instead, it is likely that the ratio is similar. The Engel method is known to over-estimate child costs because children’s food ratio is known to be greater than other child expenses. Thus, if we use an Engel estimate, we must acknowledge that we have chosen to over-estimate child costs by about 10% to 20%. On the other hand, per capita methods over-estimate child costs by about 50%. . So what would the above chart look like if we adjusted for the known Per Capita and Engel errors in the chart? The following comparison of Table rates shows that all the estimates converge around 14%. This is slightly less than the Combined Cost Share estimate. However, the Combined Cost Share estimate was trying to determine a maximum child cost and the other estimates were focused on an average child cost. Given that the standard deviation of all studies is about 2%, the 95% confidence interval for estimation of child costs inside the economic table is 10% to 18% with an average of 14%. Finally, the 95% confidence interval for estimations of total child costs is 5% greater, or 15% to 23% with an average of 19%. Thus, despite all the statistical shenanigans that have gone on over the years, somehow the current Economic Table is only about 20% too high.

**Comparison of Economic Table % costs excluding child care and health care  
And adjusted for known per capita and Engel errors\***

12 Studies (year) (reference)	Estimation Method: See Code Below	CNMI 2,000	CNMI 3000	CNMI 4000	CNMI 5000	CNMI 6000	CNMI 7000
<b>MARGINAL COST BASED ESTIMATES: average 14%</b>							
Rogers Cost Share (2005) (1)	CS, MC, RR	12%	11%	10%	10%	10%	NA
Combined Cost Share 2007 (2)	CS, MC, FR	15%	15%	15%	15%	15%	15%
New York (2002) (3)	CS, MC, FR	14%	14%	14%	14%	14%	14%
Wisconsin (1984) (4)	CS, MC, FR	14%	14%	14%	14%	14%	14%
Betson Iso-prop 2 (1990) (5)	IS, MC, FR,	13%	12%	12%	11%	11%	11%
<b>MARGINAL INDIRECT PROXY ROTHBARTH ESTIMATES: average 14%</b>							
Turchi Rothbarth 1983 (6)	IS, MC, FR LR	14%	14%	14%	14%	NA	NA
Lazear and Michael Rothbarth (1988) (7)	IS, MC, FR LR	13%	13%	13%	13%	NA	NA
<b>MARGINAL INDIRECT PROXY ENGEL ESTIMATES: average 17% - 20% x 17% = 14%</b>							
Florida State Engel (2004) (8) (-20%)	IS, MC, RR, WE	15%	14%	13%	12%	11%	10%
Williams Engel (1987) (9) (-20%)	IS, MC, RR, WE	18%	17%	16%	15%	15%	NA
<b>PER CAPITA COST BASED ESTIMATES: average 24% - 40% X 25% = 14%</b>							
USDA (2006) (10)	CS, PC, RR	23%	18%	17%	14%	14%	12%
<b>PER CAPITA INDIRECT PROXY ESTIMATES: average 25% - 40% X 25% = 15%</b>							
Betson-Rothbarth (2005) (11)	IS, PC, RR, BR	18%	18%	16%	13%	12%	12%
Betson-Engel (2005) (12)	IS, PC, RR, BE	19%	19%	18%	15%	14%	14%
<b>Median of all 12 studies is less than Combined Cost Share model</b>	<b>IS, MC, RR</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>

**ECONOMIC TABLE REFERENCES:**

- (1) Rogers Cost Share (2005) estimates taken from his webpage using examples he provides. However, Rogers does not use or publish a simple table because simple tables make numerous assumptions about each parent. However, Rogers did publish a Table like estimate in Rogers, R.M. & Bieniewicz, (2004) Child Support Guidelines: Underlying methodologies, assumptions and the impact on standards of living, in Comanor (Ed) The law and Economics of Child Support Payments, Edward Elgar (Pub) pages 74-75.
- (2) Spring, D. (2008) Analysis of Child Support Issues. Presented to the Washington State Child Support Work Group, January 6, 2008. Uses 3 bottom up direct cost estimates and three top down direct cost estimates to determine a convergence around a central tendency. Spring believes this to be a "maximum" child rearing cost for low income families.

- (3) New York Study (200) conducted by the New York Supreme Court and available from their website. The authors found that the retention of their current 17% flat rate table was in the best interest of their State due to a “perception of fairness.”
- (4) See Garfinkel, I, Melli, M.S. & Robertson, J.G. (1994) *Child Support Orders: A Prospective on Reform, Children and Divorce* 4 (1) Spring 1994. Wisconsin (1984) uses a total rate of 17% for child rearing costs. The authors noted that their model assumed that the mother did not work and the father did not spend any time with the child. If either the mother worked or the father spent significant time with the child, then the percentage charged to the father should be lower. While they did not say how much lower, the median rate charged in 1984 was about 13%. In addition, subtracting 3% for child care and health care also yields a table rate of 14%.
- (5) Betson (1990) Iso-prop 2 method uses a combination of items as an indirect proxy for child costs. The items used were food, housing and clothing. Iso-prop 1 was not a good measure because it also included health care costs which are not in the Economic Table and are highly variable. Iso-prop 2 comes the closest of all indirect proxies to a cost share analysis which is why it yields estimates so close to a cost share analysis.
- (6) Turchi, B.A. (1983) *Estimating the Cost of Children in the United States*, final report to the National Institute of Child Health and Human Development, from the University of North Carolina. Used original Rothbarth method and got total cost of 17% using 1972 CEX thus subtracting 3% for child care and health care yields a Table cost of 14%.
- (7) Lazear E. P. & Michael, R.T. (1988) *Allocation of Income within the Household*, Chicago: University of Chicago Press. Lazear & Michael did a marginal Rothbarth study and got a flat rate of 16% total costs using 1972 CEX thus subtracting 3% for child care and health care yields a Table cost of 13%. Note that Betson incorrectly reported the LM result as 19% apparently in an effort to hide the fact that his 25% Rothbarth result was in fact statistically different from the LM result.
- (8) MC Caleb et al., (2004) conducted a marginal-Engel study using 1999-2003 CEX (US sample) and concluded that child costs were about 17% for the median intact family.
- (9) The hybrid model was proposed by some members of the Washington State child support work group. It uses the Percentage of Income (Wisconsin) model for lower incomes and the Income Shares model for higher incomes. Thus it leaves the higher end of the table unchanged while addressing the regressive problem at the lower end of the current table.
- (10) The Washington State Table was NOT based upon the Williams Income Shares model and Williams (1987) Marginal Engel Study as is commonly claimed. Instead, it is based upon a Judge Shellan 1982 Table which was “adjusted” by the Washington State legislature to be lower than the Williams estimate in the 4,000 to 5,000 income area because legislators felt that the Williams estimate of 19% was too high for this income group. This is why there is a steep fall off in the Table at this income level. There is no record of why legislators felt the Williams Income Shares model was too high. It therefore may have been simply their own personal judgment of what was politically acceptable. Note however that the current Economic Table is strikingly similar to the Florida State (2004) proposed marginal Engel Income Shares Economic Table.
- (11) Williams (1987) claims to have conducted an-Engel study and concluded that child costs were about 22%. Williams claimed his method was based upon Espenshade (1984). However, this was not true as Espenshade did not use income to estimate child costs. Williams model was apparently based upon the 1972-1973 CEX and he deducted about 3% for child care and health care costs from total child costs to arrive at his economic table costs. Williams founded PSI which currently makes over \$120 million per year primarily from collecting child support which has gone into default.
- (12) The USDA estimate was developed by Mark Lino using a per capita method and a two parent intact family per the Income Shares model. Lino, M. (2007) *Expenditures of Children by Families, 2006 Annual Report, 1528-2006*.
- (13) Betson-Rothbarth (2005) taken from PSI 2005 Washington State report, appendix II.
- (14) Betson-Engel (2005) taken from PSI 2005 Washington State report, appendix III.

## **Section Ten: True Upper and Lower Bounds of Child Costs**

The above charts make it clear that the Betson Rothbarth method is only a “lower bounds” if one limits their analysis to the three per capita methods (the Betson Rothbarth, Betson Engel and USDA methods). In other words, the Betson Rothbarth method is only a lower bounds if one believes that children cost as much as adults. This is exactly what PSI has done in every analysis they have written in every State they have contracted for. PSI is hired by States because States have a vested interest in raising child support payments. PSI of course is nothing but a front for Williams and Betson. That these two and their privately held company have been able to make over \$120 million dollars annually perpetrating this farce is a testament to the extreme gender bias in the US. Clearly neither has the slightest concern for the rules of statistical analysis or the scientific method.

The logic behind this incredibly corrupt system is that almost everyone wins. Trillions of hidden tax dollars are pumped into federal and State coffers. An entire army of family law attorneys, judges, counselors and collection agencies depend on the conflict created by this system. Custodial moms are able to retire on child support payments that are twice as high as would be supported by any credible scientific study. This system is the perfect combination of gender bias driven by extreme greed. Loving and devoted fathers are driven to bankruptcy, prison, job loss, homelessness and suicide to feed the greed of this unjust and heartless system. The well being of fathers is easily sacrificed under Betson’s theory that the child only has one sugar bowl.

**But there are other victims that Betson and Williams never anticipated, because neither has the slightest training in child development.** The real victims of their assault on fathers are the children of divorce. Millions of children who are forced to grow up deprived of relationships with their fathers. Millions of children who have and will continue to grow up depressed and suicidal. Millions of children who will drop out of school and wind up in prison or worse. But it doesn’t have to be this way. All we need, all I am looking for, is a few honest people who actually care about children, who care about justice and who care about the truth.

So what is the truth about lower and upper bounds? Clearly the three capita methods used by PSI are nonsense, or put more politely, they are based upon assumptions that are not scientifically credible. Williams (1987) got a result of 24%. But given Williams track record for misrepresentations, and given the fact that he has never released his data set and given the fact that his results cannot be derived from Espenshade, one can have no confidence that his results are also another other than a farce.

One might assume that the highest credible study ever done on child costs is the Florida State 2004 study. This study concluded that the cost for one child compared to total family spending is about 22%. But this does not mean that 22% is an upper bound. Instead, numerous statisticians have shown that the Engel method over-states child costs by about 20% because child food cost ratios are about 20% higher than the relative costs of other child expenses such as clothing and housing. In plain English, children are “food intensive.” Thus, **an Engel result of 22% leads to an “upper bound” of 18%.** And since the Florida State study also found child care and health care costs were about 5%, the Florida State study leads to a Economic Table cost of 13%.

Therefore the true upper bounds, and the highest credible study ever done on child costs is the study by Spring (2008) which concluded that the Economic Table cost cannot possibly be greater than 15% and therefore the total cost of child rearing cannot possibly exceed 20% of total family spending. This result should not be too surprising since the whole point of that study was to determine the MAXIMUM cost of child rearing. In short, **the upper bounds of all credible (marginal) studies is 20% for a total cost and 15% for an Economic Table cost.**

So what is the lower bound? To answer this questions, I have organized all credible scientific studies from highest to lowest in the following table:

<b>8 Studies</b> (year)	CNMI 2,000	CNMI 3000	CNMI 4000	CNMI 5000	CNMI 6000	CNMI 7000
Rogers Cost Share (2005)	12%	11%	10%	10%	10%	NA
Watts Iso-prop 2 (1990)	13%	12%	12%	11%	NA	NA
Lazear and Michael Rothbarth (1988)	13%	13%	13%	13%	NA	NA
Turchi (1983)	14%	14%	14%	14%	NA	NA
New York (2002)	14%	14%	14%	14%	14%	14%
Wisconsin (1984)	14%	14%	14%	14%	NA	NA
Florida State Engel (2004) (-20%)	16%	14%	13%	12%	11%	10%
Spring Cost Share2007	15%	15%	15%	15%	15%	15%
<b>Median</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>

The above chart makes it clear that the Rogers Cost Shares method takes the prize for the “lower bound” which is about 11% for the median divorced family. Thus, the range of values for the Economic Table range from 10% to 15%. Adding back 5% for child care and health care leads to a total cost of **15% to 20% of total family spending. These are the true lower and upper bounds of child costs.**

**Why we no longer need Dr. Betson’s more recent data set**

The whole reason I asked for Dr. Betson’s data set in December 2007 was so I could show that by adding back in the excluded incomplete respondents, the percentage of explained variation would drop below 10%, thus proving beyond any reasonable doubt that there is no consistent relationship between spending on adult clothing and spending on children. However, since Dr. Betson already did this analysis and proved my point back in 1990, there is really no need to do it again. His 1990 study also shows that Dr. Betson was fully aware back in 1990 that there was no consistent relationship between spending on adult clothing and spending on children.

His 1990 study also showed that the most credible estimate of child costs in 1990 was about 15% using the Watts Iso-prop 2 method. This result was nearly identical to the study done in 1983 by Turchi (16%) and a study done in 1988 by Lazear and Michael (16%). All three of these studies, together with more recent estimates listed in my prior Analysis of Child Support Issues, support the conclusion that total child costs cannot exceed a maximum of 20%.

Thus, child costs as estimated by the current Economic Table (at about 19%) are currently at least 20% to 30% too high and have been 20% to 30% too high for the past 20 years. Even if we drop the economic table down to 17%, as proposed by several members of the child support work group, the rate will still be at least 10% above any credible estimate that has ever been made of total child costs. So how do we deal with this dilemma? A 17% rate which clearly over-charges the lower time parent by at least 10% would be acceptable provided there were some other benefits that would promote the relationship between the lower time parent and their children and provided that the lower time parent was protected from excessive child support payments. Some of these benefits to lower time parents should include:

1. **Full residential credit** for every day that a child spends in the care of the lower time parent. In other words, if a lower time parent drops completely out of the child's life, then go ahead and over charge that parent by 10%. But if the lower time parent stays in the child's life, the lower time parent is incurring costs at a rate far greater than the higher time parent on a daily basis and the lower time parent should receive full credit for each day spent with the child. This cross credit method would restore the approach used in Washington State in 1986 (See Williams (1987) page 11-57 for a description of this method. Williams notes that this method was commonly used in the States of Washington, Delaware and Colorado at the time he wrote his report. According to Williams, Page II-56, the State of Washington did not require a minimum time threshold to receive a residential credit. Other states required a 20% threshold before the lower time parent received any residential credit. However, it is now known that even lower time parents who care for the child as little as 10% of the time incur significant costs associated with this visitation. See Analysis of Child Support Issues, residential credit section for further details).
2. **Limitation of income imputation to minimum wage** in the absence of other documentation. A lower time parent should never be charged more than the maximum they have ever earned in the past. To do otherwise creates too great an incentive for divorce.
3. **Limitation of income to the first 40 hours per week of wages earned.** It is better for the child to spend time with the dad than for the dad to spend time working overtime. No parent should ever be forced to work more than 40 hours per week. To do otherwise creates too great an incentive for divorce.
4. **Limitation of rate to not exceed more than 5% per child above the Economic Table without mutual consent.** No lower time parent should be forced to pay more than the average rate for child care and health care. In addition, the lower time parent should be given a "right of first refusal" to personally care for the child instead of paying for child care. To do otherwise creates too great an incentive for divorce.
5. **Limitation of maximum child support payment (cap) not to exceed the SSR for one adult.** If the child support payment is so high that it can support both a child and an adult (the higher time parent), then it is too great an incentive for divorce as the higher time parent can simply retire and not work.

The reason for all of these limitations is to insure that the lower time parent will still have some money left to provide for the child while the child is in their care and time left to spend time with the child. Bringing lower time parents back into the life of the child will also benefit the higher time parent in that the higher time parent will get more regular child support payments and also receive needed periodic breaks away from the child.

**Section Eleven: Four Options for the Economic Table**

At the January 2008 Child Support Work Group meeting, several members proposed that specific options be developed to be considered in further detail at the February 2008 Work Group meeting. The following chart summarizes the percentages of net combined monthly income used by these four models.

**% Comparison of four options for One Child:** (% of Combined Monthly Net Income)

Combined Monthly Net Income	Option 1 Flat Rate Cost Share Option	Option 2 Status Quo with Low Income Adjustment	Option 3A Current Table Age 0-11	Option 3B Current Table Age 12-18	Option 4 Betson-Rothbarth Per Capita Option
1000	SEE SSR	SEE SSR	SEE SSR	SEE SSR	SEE SSR
2000	15	17	21	26	25
2500	15	17	21	26	25
3000	15	17	19	23	25
4000	15	15	15	19	21
5000	15	15	15	18	19
6000	15	14	14	18	18
7000	15	14	14	17	17

All of these options assume that child care and health care may be added to the obligation. This additional obligation was estimated by McCaleb et al (2004) to be about 5% of combined net monthly income for one child. Thus a Table percentage of 17% converts to an estimated total obligation of 22% of combined net monthly income.

**Notes on the above options:**

The first is a 15% Option recommended by Spring (2008). This model is supported by at least a dozen highly credible economic studies as described in detail in the Analysis of Child Support Issues and this current Addendum.

The second option is a modified version of the current Economic Table which specifically addresses the problem of the highly regressive nature of the current economic table for lower income parents. It is based upon the known fact that the CEX has been shown to be extremely inaccurate for lower income groups.

The third option is the Status Quo of the current Economic Table. It is based upon the fact that there has been no significant change in child costs for the past 20 years, other than the cost of child care and health care which are outside of the Economic Table. The lower age group section of the current Table (Option 3A) is nearly identical to the Income Shares Table by McCaleb et al (2004). It is thus supported by at least some credible scientific research.

However, the higher age group (Option 3B) is based entirely on Eden's 1977 per capita estimate. It is therefore known to greatly over-estimate the cost of child rearing. While it is true that older children cost more than younger children, it is also well known that older children have older parents and older parents typically earn much more than younger parents. Thus, **on a percentage of income basis, older children may actually represent a lower percentage of total family spending than younger children because the income of older parents is typically much higher than the income of younger parents.** The Economic Table percentage is not likely to exceed 15% and may be as low as 12%. Since older children do not require any child care expense, the total cost is not likely to exceed 18% and may be as low as 15%.

In addition, the fall off in costs as income increases in Option 3B comes directly from the 1985 Judge Shellan Table which is based on the 1972 CEX estimate of savings patterns of higher income parents. These saving pattern estimates (which estimate family savings to be as high as 50% in higher income groups) are known to be extremely inaccurate (in other words, family savings are actually much lower than the CEX survey estimates). Thus, the data used to create Option 3B is extremely unreliable.

The fourth option is the Betson Rothbarth Table. It is based upon Betson's per capita estimate of child costs. This option suffers from the fact that it uses a "per capita adjustment" which was shown by McCaleb et al (2004) to over-estimate child costs by 50% even when using the exact same data set. Thus, a Betson per capita estimate of 25% converts to a non- per capita estimate of 15%.

Thus, the only options which are supported by credible scientific research are options 1, 2 and 3A.

**Appendix One: Emails and Responses regarding the Analysis of Child Support Issues, January 2008**

In the week after I submitted the Analysis of Child Support Issues to the Work Group, four members of the work group sent emails to the entire work group objecting to various parts of my analysis. As these emails are part of the public record and as they raise issues that others may be concerned about, I present these emails and my responses to their questions to help further clarify and hopefully help resolve the debate on these issues.

**Email from Deirdre Bowen and my reply 01/08/09:**

David,

I am loathe to get involved in this ongoing exchange, but I feel that perhaps if someone else in the academy reiterates the point Dr. Betson has made repeatedly, perhaps it will sink in with you. I would have thought being in graduate school, you would have been aware that data sets are often created from larger, public data sets. It takes incredible amounts of labor to clean up data sets and get the appropriate variables in play to operationalize your concepts, make decisions about missing values for certain variables based on your sample size while still maintaining enough statistical power to engage in meaningful statistical analysis, while making sure you don't violate any statistical assumptions. As these data sets represent hours of blood, sweat, and sometimes, yes, even tears, most people in the academy don't simply throw them around freely. Certainly, one wouldn't hand over a data set to someone else who has no expertise in the field. I think it is disingenuous for you to keep attacking Dr. Benson because you want his data set. As he pointed out, you can replicate his work by following his methodology and use the same public data he used to create his data set. Sincerely, Deirdre Bowen

Deirdre,

There is a difference between "cleaning up a data set" to minimize the effect of outliers and getting rid of over 50% of your sample because that 50% does not support the conclusion you are trying to push. In the field of educational research and in the field of scientific inquiry in general, getting rid of over half of your sample simply because those low income intact families would have led to a lower estimate of child costs when you are trying to push a higher estimate of child costs would be called "data mining." It is also called "cherry picking the data." If I attempted to do what Dr. Betson has done, I would be kicked out of Graduate School. It is not a common practice for any scientist to engage in wholesale elimination of data and then use a sample that is radically different from the median of the population to attempt to generalize the result to the entire population. No one is allowed to do that. Not in any field.

In addition we are not merely talking about a data set used by academics for philosophical discussion. Dr. Betson is asking us to substantially change the way child support is calculated from a marginal indirect proxy method endorsed by the Washington State legislature in 1988 to a per capita indirect proxy method not used by any other Economist other than Dr. Betson and not replicated by any other economist period. Dr. Betson is asking us to take millions of dollars away from parents based upon a methodology that he refuses to even disclose. The last person who tried to pull a stunt like this was Dr. Weitzman.

Hopefully the public has learned from the farce created by Dr. Weitzman that the “experts” can only be trusted with setting public policy if the experts fully disclose both their methods and their data.

As for “following Betson’s methodology”, it would not be possible for me to replicate his work as Dr. Betson has failed to fully disclose his methodology. Mark Lino, with the USDA and Mark Rogers, with Cost Shares have both tried to replicate Betson’s methodology and both failed to get anything close to Betson’s result. McCaleb et al. with Florida State (2004) also attempted to replicate his methodology and got a result substantially lower than Dr. Betson.

Finally, I am not attacking Dr. Betson, I am simply informing the work group that numerous PHD economists have repeatedly questioned Dr. Betson’s methods and a have come up with results that completely contradicted Dr. Betson’s results. At the December meeting, in response to my concern that no one had ever replicated his methodology or his result, Dr. Betson claimed that the Florida State (2004) was a replicate of his method and result. This turned out not to be true. In fact, the Florida State 2004 study completely contradicted both Dr. Betson’s method and his result. The Florida State result was only slightly higher (17%) than the Combined Cost Share estimate (15%) and was actually lower than the current table median of 19%. There are only two possibilities. Either Dr. Betson was unaware of what the Florida State Economists had concluded. Or Dr. Betson was deliberately misleading the work group.

As another example of Dr. Betson’s failure to be honest with the work group, in Dr. Betson’s latest letter to the work group, he made the claim that his difference between the Rothbarth and Engel methods were similar to the Deaton (1986) difference between these two estimates. **Yet Deaton found a 164% difference between the Engel and Rothbarth estimates while Dr. Betson has reported only a 20% difference.**

I understand your desire to try to defend Dr. Betson. He is attempting to dramatically raise child support rates and perhaps you also think that mothers and children would benefit from dramatic increases in child support rates. But deliberate distortions of the data cannot be defended. There simply is no credible data to support increasing child support rates. Instead, every credible study that has been done on this issue other than Dr. Betson’s has concluded either that rates should be lowered or remain the same. Given that we already have in front of us many clear and recent examples of Dr. Betson’s failure to accurately disclose information in areas that are already part of the public record, we must insist and will insist that Dr. Betson fully disclose his methods and his data, neither of which are yet part of the public record.

Sincerely, David Spring

**Email from Jason Doudt to work group with my reply 01/09/08:**

To the Group,

I wanted to make this statement clear to the group that David Spring, while he has the right to express his point of view and concerns, does not represent the NCP’s view point as a whole. I personally think Dr. Betson has done a good job of presenting the material and data to support his view. I am still undecided on whether it is the best choice for Washington State or not. I believe our State is unique in several areas and we might do our parents a disservice but using a income method that is more based on national averages than local ones, and a model that does not take into account the added cost

of maintaining a second house hold? but that of course will be discussed further in our upcoming meeting. I am hopeful we can come to a Win/Win solution and progress forward to meet the needs of the children of Washington State through our remaining meetings. Sincerely, Jason Doudt

Jason,

I have never stated that my views represent anyone other than my own and those who I quote in my analysis. I agree with you that we need to find a win-win solution. I also agree with you that conflict is not a good way to help children. I honestly wish that I could be more supportive of Dr. Betson.

However, I would not be serving the State of Washington or this work group by agreeing with Dr. Betson and burying my head in the sand when he says things that are simply not true. For example, at the November meeting, Dr. Betson tried to attack Mark Rogers with Cost Shares by saying that Mark Rogers says on his website that he guarantees he will lower your child support. You were there and you heard him. It turned out that what Mark Rogers clearly said on his website is that he can NOT guarantee that child support will be lower because that question is always up to the discretion of the judge. Dr. Betson is to be commended for retracting that statement at the December meeting. But the only way we found out the truth is because a member of the public (Mark Mankey) emailed Mark Rogers and asked him if it was true.

Then at the December meeting Dr. Betson made his claim about Florida State replicating his method. You were there at the December meeting and you hopefully heard Dr. Betson make this claim. I actually stopped my presentation long enough to write down the name of the study. I then spent over a week tracking down and reading the study to see if it actually supported Dr. Betson's method. It turned out that instead of supporting Betson's method, the Florida State study refuted his methods! In my analysis I quote the Florida State Economists. They clearly disagreed with Dr. Betson because they refused to use his method.

Then last week Dr. Betson tried to claim his total sample may have been as low as 37,500 families. Now he says it is more than 37,500 but under 150,000 families. Doesn't it bother you at least a little bit that he refuses to even tell us how many families were in his sample? Certainly it would not harm him to at least disclose how he arrived at his sample and how many intact families were excluded as a result of each restriction he made. Then there was Dr. Betson's letter claiming that he got about the same result as Deaton (1986). Doesn't it bother you that what he actually got was 20% increase while Deaton got a 164% increase? How can this be anything other than an attempt at blatant deception? And what about Lenora Weitzman? Doesn't it bother you that she got away with doubling child support rates based upon data that was later found... ten years later.. to be a complete fiction? She too refused to release her data set. The only way we found out she was not telling the truth is because Peterson got the data set from a third party. Why did work groups all over the US accept Lenora Wietzman's conclusions without requiring her to release her data? As a direct result of her deception, millions of children lost contact with their fathers and the federal government started a bureaucracy that is currently costing American tax payers over \$500 million annually with no appreciable gain in benefit to children. Perhaps it was because they like you believed in the experts. We should learn from our past mistakes.

What is it going to take to convince you and the rest of the work group that Dr. Betson is not to be trusted until he explains his methods and releases his data?

We should not only expect this from Dr. Betson. We should expect this from any scientist who asks us to base public policy on the results of his methods and data.

Sincerely, David Spring

**Email from Kathleen Schmidt and my reply 01/09/08:**

I would suggest that until David Spring provides some evidence that he has the requisite education and/or training as an economist that he keep his comments about Dr. Betson or Dr. Bowen in the format of expressing his own opinion as a non-custodial parent which is the means by which he became a part of this group. It continues to perplex me that Mr. Spring has been allowed the amount of time and ink to continue expressing his opinions about just about anything that he claims to know about whether he possesses any knowledge of the subject. The purpose of this commission is to study the current economic table which is based on an income shares model and to make recommendations about the table as well as the other issues identified in the statute which created our commission. There has to be a point where everyone else is allowed an opportunity to express their opinion; I have had more than enough questionable information from Mr. Spring and would like to suggest that we all should be looking at expressing our own views in the spirit of getting on with the work of the group. We agreed to conduct ourselves in a respectful manner; I think that Mr. Spring needs to consider the information that he continues to submit in light of the way in which the group determined it would conduct its business.

Kathleen Schmidt

Kathleen,

You appearing to be saying that you will only listen to someone with a PHD in Economics. If that is the case, then you should at the very least consider the opinions of the 16 PHD Economists I quoted in my analysis. As I explained in detail in my analysis, there are four different versions of the Income Shares model. Our current Table is based upon the marginal Engel method used by Williams (1987) who developed the Income Shares model.

Dr. Betson's model is based upon a per capita adjustment he made to the Income Shares model in 1990. No one had used this adjustment factor before Dr. Betson and no one has used it since. Instead, all the PHD economists I quoted said this method was little more than a statistical trick to raise child support rates without any change in the underlying data. (See McCaleb et al, Florida State, 2004). Thus supporting Dr. Betson's model is going totally contrary to the past recommendations of the legislature. That is okay as long as you are honest and clear that is what you are attempting to do. Also, you should note that Williams also does not have a degree in Economics and has far less training that I do in statistical analysis and the scientific method. It is hypocritical to blindly endorse the a child support model developed by someone with hardly any training in statistical analysis while at the same time attacking my concerns simply because I lack a PHD in Economics.

How did it feel today knowing that Dr. Betson attempted to convince you that his 20% difference between the Rothbarth and Engel estimates was similar to Deaton's 164% difference?

How did it feel to find out that the Florida State (2004) study actually reported 17% for child cost when Betson's estimates range from 22% to 25% and the estimates based on the Cost Share method were 15%? Do you truly enjoy being deceived? Or is your interest in raising child support rates so great that you don't care what the truth is?

Finally, you state that I have provided "questionable information." Yet you did not provide even a single example of my information that was questionable. Is it respectful to put down a work group member working hard to find the truth without offering a single example where my information was questionable? Is it respectful to question my credentials without questioning the credentials of the founder of Income Shares, Robert Williams, a person running a company (PSI) that in 2006 made over \$120 million dollars from excessively high child support estimates? Is it respectful to attack my credentials rather than pointing out the shortcomings of my analysis?

I agree that we need to be respectful with each other. However this does not mean we should bury our heads in the sand or blindly accept everything Dr. Betson says just because he has a PHD in economics. I too would like to seek consensus rather than conflict. But if I must choose between consensus and the truth, then I am on the side of truth. My hope is that at some point Dr. Betson will realize that he can not continue to tell this work group things that are simply not true and expect to get away with it. Even if this strategy flies with the current work group, it will not fly with the legislature. So we can either work together on behalf of children to seek out the truth. Or we can do things by what Senator Carroll calls "the hard way" wherein we will all wind up with nothing.

Sincerely, David Spring

### **Email from Kristie Dimak to work group plus my reply 010908**

Good Evening Group Members,

I would like to add a few comments to this discussion. First of all, I would like to voice that I find it incredibly sad that a member of our group has felt the need to resign. I am hopeful that the Governor Gregoire will be able to replace Traci with someone as caring and thoughtful of the needs of the children of our state as she is. Secondly, I would like to address Mr. Spring's assertions below "you did not provide even a single example of my information that was questionable". I found many questionable points in Mr. Spring's manifesto, and I also question his motives. Dr. Betson is clearly a third party representative who has no personal vested interest in the child support system in our state. He is here volunteering his time and expertise, and provides a very balanced viewpoint. Mr. Spring on the other hand has an obvious bias in these matters, and is clearly doing all he can to insure that he will not have to pay a dime more in child support than he absolutley feels is necessary. I take issue with the following comments:

Pg 2 "This analysis is also dedicated to the 100,000 plus fathers currently sitting in jail today because they were assessed child support payments far higher than they could possibly make." I think that personal responsibility needs to be brought up. The fact is, these men chose to go to jail rather than live up to their court-ordered responsibility. I know from personal experience that many warnings and opportunities are given to get on track with child support before the question of jail even arises.

Also pg 2. “sad memory of the 5,000 or more fathers who commit suicide each year because they were involuntarily removed from their children and turned into slaves...” Where do you get this data? Medical examiners who investigate deaths by suicide do not, as a practice, release the reason why a person commits suicide. I find it irresponsible to even make this statement. Should a child of a non-intact family really go through life knowing their father chose to take his life rather than pay the support he owes? Is this knowledge really in the best interest of the child?

Pg 5 “the child has essential emotional needs for a relationship with both parents that may be as great or greater than a child’s basic financial needs for food, clothing and shelter.” As I previously brought up, Abraham Maslow, one of the preeminent psychologists of our time stated that human being’s most basic needs are first physiological needs, and second, safety and security needs. After these needs have been met higher needs such as love, belonging, and esteem needs. I don’t believe Maslow would believe David’s statement. Also, emotional needs and food/clothing/shelter needs are not mutually exclusive. A parent can pay their obligation as ordered and also have a loving relationship with their child if that is what they decide to do.

Pg 11 “Just as important, public comment was nearly 100% against raising the child support rates as expressed in the Economic Table.” It should be noted that the reason so many non-custodial parents appeared and commented at the public meetings is because Tom Leykis, a well-known chauvinist, made an appeal on his radio show for men to show up and protest their child support orders. This points to the need for us to spread the word to all interested parties prior to any future public meetings. We also need to plan meetings for times that parents who have children at home can attend.

Pg 58 “The current system also gives the mother the right to demand health insurance, college tuition...” Health insurance and a college education are in the best interests of the children of our state. Period.

Pg 119 “If parents cannot agree, then they can each make their own arrangements and payments during their own residential time with the children and pay for the cost associated [for childcare] with that time themselves” I completely disagree. This allows a non-custodial parent to refuse to agree on any childcare arrangement, and leave the custodial parent unable to work. How is this best for the families of our state? I look forward to Friday’s meeting and another lively discussion.  
Best Regards, Kristie Dimak

Kristie,

I appreciate your willingness to criticize specific aspects of my analysis rather than merely attacking me personally. However before I address your specific disagreements with my analysis, I would like to respond to a couple of comments you made which need correction.

First, you claim that *“Dr. Betson is clearly a third party representative who has no personal vested interest in the child support system in our state. He is here volunteering his time and expertise, and provides a very balanced viewpoint.”*

This statement is not correct. Dr. Betson has not even tried to present a balanced point of view. Instead he is clearly an advocate of a particular method, the Betson-Rothbarth method. He is also an advocate of a particular style of family in that he thinks a child only eats out of the sugar bowl when the child is at the mom's house and not when the child is at the dad's house. Also how can you call his point of view balanced when he consistently misquotes his adversaries (such as misquoting Mark Rogers)?

More important, Dr. Betson is not a third party representative. Instead, Dr. Betson is an associate of PSI and has written several reports on their behalf. PSI is a private for-profit company run by Roger Williams, the person who invented the Income Shares model. **PSI's income for 2006 was over \$120 million dollars.** If Betson succeeds in raising child support payments here in Washington above 20% (as he has proposed), there is no question that defaults will skyrocket and PSI will take in millions more in collections from these defaults.

At some point it would help this work group better understand Betson's true motives and financial interests in our State if he would fully disclose his connections with PSI. For example, how much money has PSI paid him for his past reports? How much stock does Betson have in PSI? Does Betson have any other financial connections to PSI? Is Betson currently on the PSI payroll?

Regarding your second comment: *"Mr. Spring on the other hand has an obvious bias in these matters, and is clearly doing all he can to insure that he will not have to pay a dime more in child support than he absolutely feels is necessary."*

This too is wrong. However we certainly should question my motives just as we should question your motives and the motives of Dr. Betson. I have clearly stated my motives. I am alarmed at the harm done to millions of children when their fathers are removed from their life. There is a mountain of literature to support that this harm does in fact exist. As for me trying to avoid paying a "dime more in child support than absolutely necessary", I can proudly say that I pay much more child support than is required by the economic table. During the past five years, I have paid over \$30,000 more in child support than was required by the Economic Table. In addition, I have paid a like amount while my daughter is with me. (My ex pays me nothing even though her income is higher than mine). Even though I am a 50-50 parent, I have never asked for a residential credit even though my child rearing costs are much higher than my ex spouse. It should thus be obvious that I am not interested in trying to save a "dime". There is not a dad or mom in this State more devoted to helping children than I am.

The reason I have been able to do this is that I saved up retirement money from a business I started and sold several years before I was married. I basically have been losing money every single year since we separated and in about four years there will be no money left in my retirement account. At that point I will sell the home that I build before I was married. In short, I am willing to do anything and spend any amount of money in order to help my daughter. I am driving around in an 8 year old car while my ex is driving around in a new car. She also has a new boat that my daughter likes to ride in. I think you should have at least asked me how much I paid in child support before making false allegations against me. Feel free to send me your apology whenever you wish.

But just because I have spent my life savings trying to help my daughter, State law does not permit us to force every other divorced parent to do the same. Instead, Washington State law requires that we divide the cost of child rearing equitably between the parents. It is State law we should be focusing on. Personal attacks on each others motives will not help us find the best solution for children.

Now in response to your specific concerns:

1. Regarding it being the dads own fault that they are in jail: I have never been to jail, but I hear horror stories that it is not a very nice place. Most civilized countries outlawed debtors prisons over a hundred years ago. Again I would like to point out that over 80% of dads with jobs voluntarily pay their child support and did so long before their was any threat of jail. The vast majority (about 90% of arrears is related to dads who do not have a job or are very low income dads whose child support payments far exceed 20% of their income. This is not my opinion. These facts have been confirmed by many studies. The solution to the poverty problem is to train dads and moms and to make sure they have a decent job. It is not putting dads in jail.
2. Regarding the 5,000 divorced dads who commit suicide every year, I did cite the study later on in the analysis. You will find the citation at the end of section 2. I agree with you that suicide is not helpful to children. However, I have also studied the neurobiology of both suicide and depression (which are highly related, especially in men, but also in women and children). There are hundreds of studies linking suicide to high stress levels. Lower the stress, especially lowering relationship stress and we can lower the suicide rate. I want to make it clear that **no one voluntarily commits suicide**. Typically they only do so when they see no other way to solve their problems. Divorced dads are at very high risk to commit suicide, not only because they cannot afford their child support payments but also because all too often the mom and the court have driven the dad out of the child's life. Any parent knows that to lose your child would be a fate much worse than death. No mom should ever be forced to lose her child. For the same reason, no dad should ever be forced to lose his child.
3. Regarding page 5 and Maslow: I am certain that Maslow would agree with me. I have read his book twice and quote it frequently. I encourage every member of this work group to read his book because it is one of the most important books on child development that has ever been written. The citation is: Maslow, A. H., (1998) *Toward a Psychology of Being, 3rd Edition* Wiley. This book explains Maslow's views on Humanistic Psychology and the affective needs of children. I understand your mistake about Maslow's model. Most people only hear about Maslow's model by seeing a triangle depicting Maslow's Hierarchy of Needs in a Psych 101 book. Physical needs are at the bottom of the triangle and self actualization is at the top. In between are a child's emotional and social needs. But if you read Maslow's book, you will find that he is only slightly concerned about the physical needs, which include food, water, shelter, sleep and warmth. Maslow explains that children's physical needs are nearly always met. There are very few starving children in America. What Maslow was really concerned about was a child's social and emotional needs. Nearly every study he quoted had to do with meeting or not meeting these needs. Maslow was concerned that a child's social and emotional needs were very often not being met. Maslow called these needs the "three A's" in that they were human child needs for ATTENTION,

AFFECTION and APPROVAL. Maslow's whole point was that these needs were as great as a child's need for food and water. Maslow specifically referred to Harlow's monkeys as an example of this social need: The baby monkeys went to the soft wire monkey for comfort even though that (fake) monkey had no food to give the baby monkey. There have been over 1,000 studies on child development since Maslow first wrote his book. Most are in the area of attachment research and all have confirmed that children needs for an emotional bond with their parents is as great as their physical needs for food and water. In short, we have millions of children with mental health problems relating to not having their emotional and social needs met. Less than 1% of all children with mental health problems were relating to being due to a lack of having their physical needs meet. This is not a controversial topic. Finally, how can a dad spend time with his kids when child support rates are so high the dad has to work two jobs just to make the child support payment?

4. Page 11: I agree that we want to hear from and listen to all parents about their concerns and I would support the method suggested, namely sending out post cards to all CP's and NCP's letting them know that there will be a chance for input. I also think the post cards should refer interested parents to the webpage where they can make comments if they do not have time to make it to the public meeting. I agree that it is very difficult for parents with kids to come to public meetings. Perhaps we can also offer free child care to any parent who wants to bring their children.
5. Page 58: regarding mandatory health insurance and college tuition: I agree. Both of these are very important and we should require them of all parents living in Washington State. However, if we only require them of divorced parents, then we set up an incentive for divorce, which in itself is harmful to children. So either we require it of all parents, or we require it of no parents. I will oppose anything required of divorced parents than is not also required of all other parents.
6. page 119: regarding my child care proposal: There is nothing about my child care proposal that would prevent either parent from working. Instead, each would have a right to care for the child while the other parent was at work (just as each had this same right during marriage). Only if a parent did not or could not care for the child while the other was at work would there be a problem. In such a case, since both parents are paying, both should be involved in the decision. One parent should not be able to dictate to the other parent. All that does is create conflict and resentment which is harmful to the child. All I am saying is that all major financial decisions affecting both parents should be mutually agreed upon (just as they are mutually agreed upon in marriage). Every parenting plan has a conflict resolution section. If the parents truly cannot agree, then they can each submit their preferred option to an independent third party arbitrator or mediator who would solve the problem for them (hopefully by finding a win-win solution so that neither parent feels they have been shafted).

Kristie,

I want to thank you for at least reading to page 119 of my analysis before deciding that you disagreed with me. I get the impression that some work group members are not even going to read my analysis even though I spent several months researching it. I would hope they would at least read the first 20 or 30 pages before they made up their mind. You have gone beyond the call of duty to read to page 119 and I wanted to thank you for that. I also want to assure you that I am being entirely honest when I say that my

concern is not for some kind of financial gain or trying to save a few "dimes" of child support. If that were the case, then I would only be paying the minimum. I have devoted my life to helping children. Right now I see the current child support system as an evil empire that destroys families and harms children far more than it helps. You obviously have a different view. I also value the truth and it bothers me a great deal that so much of child support policy is based upon pure mythology promoted by Dr. Betson and his associates at PSI. All I am trying to do is to make sure this work group hears both points of view before making their decision.

Sincerely, David Spring

### **Email from Kathleen Schmidt to workgroup and reply 01/10/08**

David,

I will continue to remind you that you do not have the expertise or educational background to criticize or interpret the information that you are offering your opinions about in this matter. The attacks on Dr. Betson are unwarranted and unworthy of an educated individual who committed to a conduct model for this group. As a member of this commission I have a responsibility to listen to and consider all points of view and to try to educate myself about the various issues that we are seeking to address. All work group members have the right to express their opinions but your continued efforts to convince the group that you have the ability to interpret and or "quote" experts is going to be viewed by me as "your opinion." When you are ready to talk about your opinions of the income shares model in Washington from the point of view as a custodial parent and you want to weigh in from that perspective you will have my full attention. Kathleen  
Kathleen,

Kathleen,

In regards to the second email you sent me earlier today, I am replying to the entire work group as others may have concerns similar to you own. First, let me state that I do have both the educational background and expertise to interpret the data being provided by Dr. Betson. Conducting data analysis and literature reviews is what I do for a living. If my credentials and training are not good enough for you, then neither should be the credentials of Robert Williams, the inventor of the income shares model.

However, it does not take an expert in data analysis to tell that a difference between models of 20% is not the same as a difference between models of 164%. Also it does not take an expert in scientific inquiry to know that one cannot delete half the data from their data set and still have a valid result. Nor does it take a financial wizard to know that the spending patterns on adult clothing in intact families making over \$70,000 per year, (25% of whom do not even have a mortgage payment to make) will be much higher than the spending patterns on adult clothing of intact families making a combined \$33,000 a year and struggling to pay their rent. When it comes to choosing between paying for the rent or buying a new dress, the choice is obvious even to someone without a PHD in economics. Nor does it take a math genius to see that there is no consistent relationship between spending patterns on adult clothing and total spending or spending patterns on children. The following is from page 84 of my analysis. Note that, according to the CEX survey, in 2004, spending on adult clothing rose 17% , and total spending rose 6%. So how much did spending on children change? Nothing. There was no change at all in spending on children clothing in 2004 comparison to 2003.

Clearly there is no relationship between spending on adult clothing and spending on children. Instead adults spend money on adult clothing whenever they have extra money, thus adult spending varies wildly from one year to the next. Meanwhile children need new clothes every year. Thus spending on children's clothing is essential and therefore does not vary much from one year to the next. This is obvious from the chart on page 84 and does not take a PHD in Economics to figure out. However, I did cite several PHD economists who studied this issue and agreed that adult clothing spending is a luxury item and not an essential. Who spends the most on luxury items such as adult clothing? Extremely rich people.. In other words, the very same rich people chosen by Dr. Betson. Again, no degree required. **Any poor person knows that the rent is more important than buying new clothes.** This is why I wish there were more poor people on this work group. It is hard for very rich people to understand the choices that poor people have to make.

It does no good to shoot the messenger or attack my credentials. Instead, we need to focus on the strengths and weaknesses of the various positions. The real weakness of Dr. Betson's model is not merely that he would have gotten a lower result had he included the 10,000 plus low income families he deleted (although he would have gotten a much lower result). Instead, the real reason Dr. Betson cannot release his data is because his data set has far greater flaws than we have yet talked about.

Dr. Betson someday will be forced to release his data set. And the day Dr. Betson releases his data set, that will be the end of the PER CAPITA ROTHBARTH version of the Income Shares model. Note that the MARGINAL-ENGEL version of Income Shares (as used by Williams in 1987 and Florida State in 2004 and the model that is the basis of our current economic table) will continue to exist. If you like Income Shares, then the MARGINAL ENGEL method is the model you ought to be endorsing. It still employs statistical tricks. But the tricks are not as obvious as the statistical tricks used by Dr. Betson. Note however because there has been no real change in the underlying CEX data base in the past 20 years, the original Income Shares marginal Engel method does not support an increase in the Economic Table. It merely supports retaining the status quo of the current table.

The real problem for Dr. Betson, and the real reason he refuses to release is data, is that there is no consistent relationship between the spending patterns on adult clothing and the spending patterns on children. This is especially true of lower income parents. That is why Dr. Betson was forced to eliminate all the low income incomplete responders from the data set. When he finally is forced to release his data set, we will be able to conduct an "analysis of variance" of his data. This will show beyond any reasonable doubt that Dr. Betson has used data mining to try to create a relationship where none exists. The reason I know this is true is that several economists have already done preliminary studies of analysis of variance with data sets similar to that used by Dr. Betson. The results of these preliminary analysis of variance studies are reported on page 86 of my analysis. Percival et al., (1999) compared numerous proxies in terms of their predicting power to estimate the cost of children. While no proxy was found to have a high predicting power, several were found to have a relatively higher predicting power than adult clothing (see chart). **The only proxies with lower predicting power than adult clothing was health care, alcohol and tobacco.**

Thus, even if one was comfortable using proxy methods to predict child costs, adult clothing would be one of the poorest choices.

There is no question that Dr. Betson's use of adult clothing as an indirect proxy is highly unstable and extremely unreliable. This is the primary reason the Florida State Economists and several others have refused to use it. Interestingly, the stability of the Engel method using food as an indirect proxy for child spending is much greater (about double the predicting power of adult clothing) and therefore requires less manipulation of the data. That is why the Florida State economists chose the MARGINAL ENGEL option. The reason the FOOD AS PROXY option is more stable is that it is using something that is bigger. In other words spending on food is about the same size as spending on children. One is still comparing apples to oranges, but at least the apples and oranges are about the same size. That is not to say the Engel method is an accurate method. Merely that it is a consistent method. As Deaton (1986) notes, the Engel method will always over estimate child rearing costs because the ratio spent on food for children will always exceed the ratio of other spending on children. In other words, children are "food intensive." The Florida State Economists did a convincing job of discrediting Betson's PER CAPITA ENGEL method. Very soon, Dr. Betson's PER CAPITA ROTHBARTH method will suffer a similar fate. We can then move on to the real debate which is discussing the problems with the most widely accepted model, the MARGINAL ENGEL method used by Florida State. Again, if you like the Income Shares model, this is the model you should look into.

This discussion has only just begun. But I am certain that at some point. Dr. Betson will be forced to release his data. When he does, that will be the end of the Per Capita - Rothbarth model; just as it was the end of Dr. Weitzman's model when her data set was finally released. When that day comes, I will gladly accept your apology. You were simply unaware of the level of training I have had in this area. I do agree with you that **"As a member of this commission I have a responsibility to listen to and consider all points of view and to try to educate myself about the various issues that we are seeking to address."**

The real question is how can you "consider all points of view" when, in the past, you were only given Dr. Betson's point of view? Are you saying that you agree with Dr. Betson that his 20% increase is pretty close to Deaton's 164% increase? Are you saying that it takes a PHD in Economics to tell that these are not the same? Are you saying you agree with Dr. Betson that it is okay to eliminate half the sample and still have a valid model? How can anyone make a rational decision while ignoring such obvious problems with Dr. Betson's model? And if you are not going to consider the views of the 16 PHD Economists I quoted in my analysis, then who else will you listen to? I too have a responsibility to educate myself on the various issues that we seek to address. I am therefore open to any actual concerns about the analysis I have presented. So let's start discussing the pros and cons of the actual models instead of wasting our time trying to attack each other's credentials. These are not complex issues, they do not require a PHD in economics and we should not bury our heads in the sand and pretend to be dumb. We all know that 20% is not equal to 164%. So let's move on to a real discussion about whether 20% or 164% is a better estimate.

Regards, David Spring

**Email from Colleen Sachs to Work Group and my reply 01/10/08**

To Everyone:

I am looking forward to seeing everyone who can make the meeting tomorrow in Olympia, and perhaps we can continue discussion of the topics brought up through email. However, one thing is clear; everyone will not agree with everyone else.

It is disheartening to read personal attacks on individuals who have evidently spent sweat and tears to educate us, bringing options into our discussions of this emotional and sensitive dilemma. I appreciate all of David's hard work, even though I have not decided the best solution or which is the best model. I don't know David Spring personally, however, I know intuitively that his motivation is selfless. He is fortunate to have the funds to support his daughter wholeheartedly, and I believe him when he says he is not out to do this to further his own good. I doubt he would go to all of these efforts to be able to pay a couple hundred dollars less a month to his ex-wife. If that was his intention, he would have taken advantage of the present laws and requested recognition of his residential credit and her greater income. His residential time is far greater than the standard allotment received by fathers in Washington State.

I am sad to see another mother leave the mix of our group; evidently, one with her hearted grounded in the proper place: trying to help all of our state's children. I also want to point to another fact. We are in a difficult time right now in Washington. Foreclosure rates and ultimately homelessness are skyrocketing. People who are trying to scrape the barrel of survival right now need to paid attention to. Our average monthly rent prices have increased from 2007. I know everyone is affected by today's economy and the economists are now predicting a recession. Presently, Washington State has one of the most robust employment markets but that is predicted to alter within 2008. We are in very tenacious times, developing proposals that will affect dutiful non-custodial parents (the majority of the NCP's out there).

I have never surveyed people in jail, but my assumption is that most of those who are there due to default on their child support are not there because they will not pay, but because they cannot pay. At least they have a bed and food there. If we have dissension within our own workgroup we will accomplish nothing. Let's keep our minds on our goals and our integrity intact through this process. See you tomorrow.

**Colleen Sachs**

Colleen,

Thank you for your comments. I am grateful you are willing to at least consider my opinion without attacking my motives. As I have said before, my primary concern is for the well being of children. I am not trying to save even one dime in child support. Even Dr. Betson noted that when I did the cost analysis, I always choose the highest of all the estimates to insure I was coming up with a maximum figure for child costs. If I really wanted to low ball children and moms I could have easily chosen the average number or the lowest number, or just supported the Rogers Cost Share estimate of 12%. I did not do any of those things. Instead, I used my training as a scientist to pick the best estimate. If there was any doubt about what the best estimate was I simply chose the highest estimate. I do not expecting that everyone will agree with everything, but I appreciate your willingness to at least consider my opinion.

Regards, David Spring

**Appendix Two: Questions emailed to Dr. Betson on December 1, 2007 and estimated answers.**

It has now been over two months since I submitted a list of 28 questions to Dr. Betson. During the past two months, Dr. Betson has failed to answer any of the questions I raised. His excuses have been first that it would take “too much time” to answer the questions, and second, that he does not want to release his data set as he apparently feels it is his private property, even though he is asking that billions of dollars of public funds and important public policies be based upon his conclusions.

This list of questions was submitted at the insistence of Dr. Betson because he had stated that he was unwilling to answer my questions directly at the November 2007 Child Support Work Group meeting. I had hoped to have answers to these questions prior to the December 2007 Child Support Work Group meeting which was scheduled for December 14, 2007.

I already knew the answers to many of these questions and have been uncovered the answers to many of the remaining questions. Below are the questions I wanted answered and **in bold are what I believe those answers are likely to be when Dr. Betson is finally forced to disclose them.** I believe that had Dr. Betson really wanted to answer these questions, he could have given at least approximate answers to all of them in less than an hour. But judge for yourself how much time you think it would have taken him. Regards, David Spring

Dr. Betson,

Your presentation at the last workgroup meeting answered many of my questions. The following is a list of my remaining questions. I realize that you may not have answers to all of these questions. However, any answers you can give me to any of these questions would be greatly appreciated. *These questions are based primarily on pages 4,5,6,7,8 & 18,19,20 of the 2006 Oregon PSI report, and Appendix pages 1-2 and A1-5 of the 2005 Washington PSI report.* Regards, David Spring

**Q1:** Starting with page 4 of the 2006 Oregon report, in the second sentence, you stated that the CEX survey is based on quarterly interviews of 5,500 consumer units. Then a few sentences below that, you note that the data used in your study was from the interview component of the CEX from the first quarter of 1998 through the first quarter of 2004. However, in 1999, the CEX expanded their quarterly interviews to about 7500 per quarter. So the 5500 figure you referred to in the Oregon study was just for 1998, and it would have been more accurate to state that for the final five years of the data used in your study, it was based upon quarterly interviews of 7500 interviews per quarter. Would you agree with that?

**The answer to this question is yes and should not have taken Dr. Betson more than one minute to answer. This is simply an admission that Dr. Betson’s statement on page 4 was a deliberate attempt to hide the true sample size by misleading readers into believing it was only 5,500 quarterly interviews when it was much closer to 7,500 quarterly interviews. This is no small error as there were 4 quarters per year and 6 years in all making it 5 years time 4 quarters equals 20 quarters times 2,000 consumer units per quarter equals up to 40,000 consumer units that Dr. Betson tried to hide by deliberately mis-stating the sample size of the CEX.**

**Q2:** The intention of the CEX is to survey families for five quarters, but the actual data on costs and expenses is for the final four interviews for one year of data on cost and expenses. So while new families are being added each quarter, in general, this rotating panel of families can be thought of as about 7500 families per year. However, many of these families are “non-responders and incomplete responders”. So I am wondering if you can supply me with a break down of first, the original total number of consumer units in your 1998 to 2004 sample, and second the number of non-responders, and incomplete responders, (preferably broken down by one, two, three four and five quarter responders), and third the number of single member households and the number of non-intact households that were excluded from your samples as well as any other households that were excluded from your final sample and the reason(s) for their exclusion. The purpose of this question is to see how you got from the CEX sample for those six years to the sample you used in constructing your model.

**I had the 2003 BLS report indicating that Dr. Betson’s 6 year sample must have been between 150,000 to 200,000 consumer units. Yet Dr. Betson only reported about 10,000 of these consumer units in the 2004 Oregon PSI report. I wanted to know what had happened to the other 140,000 plus consumer unit. Such a breakdown of “exclusions” is considered common practice in scientific data reporting. My estimate, based upon the 2003 BLS study was that about 30% of all responders were complete responders, another 30% were incomplete responders and the remaining 40% were ‘refusal to respond.’ As it turned out, Betson did report this exact ratio in his 1990 study. Thus, I had guessed right. The reason I could be certain that Betson had deleted over 11,000 intact families from his sample was because I knew that the ratio of incomplete responders was greater than his reported number of complete responders. All scientists keep track of their exclusions, so there is no question that Dr. Betson knows the answer to this question and could have reported it in less than 5 minutes. Instead, Dr. Betson sent a letter to the work group trying to deceive the work group into believing that his original sample could have been as low as 40,000 based upon certain hypothetical conditions he certainly knew were not true and based upon the false and misleading assumption that I had confused quarterly data for annual data. Thus, Dr. Betson compounded his earlier misleading statements by adding additional misleading statements. At some point, Betson will be forced to admit that the total number of consumer units in his original sample exceeded 150,000.**

**Q3:** For example, on page 4, you noted that you deleted any units that did not have at least three of the final four interviews completed. How many household units were excluded by that assumption and what demographic characteristics can you provide about those who were excluded?

**This is again asking for data about exclusions. I wanted this data so I could show how the exclusions affected the percentage of explained variation and the child cost estimate. According the BLS 2003 study, and according to Betson’s 1990 study, there were radical differences in demographic characteristics between complete and incomplete responders such that has Betson included the incomplete responders, his entire model would have been rendered invalid. No extra time needed to answer. But answering this question would have exposed his whole methodology as a farce.**

**Q4:** What I am hoping you can tell me is what the total number of consumer units you started with and what the total number of units were that you dropped at each stage of the analysis due to non-responses or incomplete responses or any other exclusions. **My estimate is that when Dr. Betson is eventually forced to disclose this number, the initial sample of consumer units will exceed 150,000 meaning he eliminated over 90% of the original sample in order to arrive at a sample that would support his model. No extra time needed to answer.**

**Q5:** On page 4, a couple of lines later, you state that you made some restrictions. The first restriction you made was that the unit had to contain a married couple between the ages of 10 to 60 years old. So I have a few questions about this restriction, which apparently was made after deleting the non-responders and incomplete responders: First, what was the sample size before these restrictions were made? Second, what was the number of single person households that were deleted from this prior sample? Third, what was the number of non-intact (single parent) households that were deducted from the prior sample? Fourth, what other deletions were made from the prior sample to arrive at the included sample?

**More questions about the sample size and restrictions. No extra time needed to answer other than the original five minutes needed to find his list of restrictions on his computer.**

**Q6:** The second restriction you made was to eliminate any units which had another adult living in the household other than the married couple. I would also like to know how many consumer units were eliminated from the sample by this restriction.

**More questions about the sample size and restrictions. No extra time needed to answer other than the original five minutes needed to find his list of restrictions on his computer.**

**Q7:** After all these restrictions, you note that the resultant sample size is 9,245 consumer units where 3,338 were married without children and 5,907 were married with children under the age of 18. Were there any other subsequent restrictions that were made to construct your model? If so, what were they and how many units were eliminated from your final sample by these subsequent restrictions?

**I believe that Dr. Betson made several additional restrictions that he did not report. (and I have evidence from several sources to support this conclusion). However, these are simply more questions about the sample size and restrictions. No extra time needed to answer other than the original five minutes needed to find his list of restrictions on his computer.**

**Q8:** Turning next to page 6, and looking at Table 2 on page 6, the first row shows that childless couples have an average total expenditure of over \$44,000 and the typically married couple with two children has average total expenditures of almost \$50,000. But going down a couple of rows, the 50<sup>th</sup> percentile for childless couples is only less than \$39,000 and the 50<sup>th</sup> percentile for a family with two children is only \$44,460. You noted in the text below the chart that the distributions were skewed. So I assume that later on when you ran your statistical analysis, you made some kind of correction for the fact that you were dealing with non-normal distributions. I am wondering what computer program you used in your analysis and what correction(s) you used?

**Dr. Betson had already indicated at the November meeting that he used the STATA statistical software program. However, there are several options with this program and when we eventually re-run his data, I wanted to make sure we duplicated his analysis as closely as possible. Again, less than a minute to report this answer.**

**Q9:** Does the Rothbarth model assume that adults who spend more on alcohol and tobacco have a higher standard of living than those who spend less on those two things?  
**The answer is yes. Ten seconds.**

**Q10:** Since I do not drink and I do not smoke cigarettes, would Rothbarth conclude that I do not have a very high standard of living? Or would he just delete me from his sample, because I do not fit his assumptions?  
**The answer is yes to both questions. Ten seconds.**

**Q11:** At the top of page 18, you note the crucial assumption of your model, namely that ***“when total spending is held constant, additional children will increase spending on adult clothing”***. Would you agree that this is one of your main assumptions?  
**The answer is yes. Ten seconds.**

**Q12:** On page 13 of *“Cost Shares Child Support Guidelines”* (2001), Mark Rogers states: *“For the argument that Betson-Rothbarth methodology leads to an accurate estimate of child costs to be true, one would have to believe that when a household has an additional child, the adults suddenly decide to drink more alcohol, smoke more tobacco, and go on spending binges for adult clothes. Common sense tells us that there is less consumption of these particular goods after having an additional child.”*

What is your response to this critic who says that your method is based upon the inaccurate assumption that “parents are selfish”?

**Dr. Betson claims (without any evidence) that adults are selfish and will substitute towards adult purchases so they do not have to share with children. I just wanted him to put his argument in writing. Maybe five minutes.**

**Q13:** On page 19, in the text you noted that 595 families reported no purchases of adult clothing so they were dropped from the analysis. So would you agree that these 595 families simply did not fit your model?  
**The answer is yes. Ten seconds.**

**Q14:** You noted that the 595 families that did not spend money on adult clothing were deleted from the sample. Why didn't you retain these families and simply assign them a value of one dollar to the purchase of adult clothing?  
**The answer is that doing so likely would have increased the variability so high that the percentage of explained variation would have dropped below 10% rendering his model useless.**

**Q15:** What percentage of the 595 families dropped from your analysis were families with children compared to families without children?

**I wanted the answer to this question so I could determine the direction of effect in raising or lowering child costs. Again, once he finds his list of restrictions, this question can be answered in less than a minute.**

**Q17:** Is it fair to conclude that had these 595 families been included in your analysis by attributing one dollar to their adult clothing spending, that this would have raised the variation in your sample and therefore reduced the explained variation of your model? **The answer is that doing so likely would have increased the variability so high that the percentage of explained variation would have dropped below 10% rendering his model useless.**

**Q18:** Looking next at Table 7 at the bottom of page 19, this table shows all the variables from the previous page and is based on 8,650 observations. I assume you used some kind of computer program to generate the table. What program did you use and could you send me the data file used to create this Table?

**Dr. Betson does not want to release his data file used to produce this table. But given the many other areas where I have been able to confirm Dr. Betson distorted the data, I think we no longer need this file. We already have enough data from Betson's 1990 study to conclude that his Betson Rothbarth model would have explained less than 10% of the variation had he included the incomplete responders.**

**Q19:** At the bottom of page 20, foot note 7 says "*the figure was constructed to reflect a couple between the ages of 36 to 45 years old with a high school education and where only the husband works. The children are assumed to be between the ages of 6 to 12 years old*". I am wondering why you made all of these assumptions?

**Less than 10% of divorced families and less than 10% of intact families fit this profile. However, I believe that this profile was needed to construct his graph on page 20 of the PSI 2006 Oregon Report and that a different profile would have led to a far different graph. Many of these questions were intended to expose Dr. Betson's model as being based upon highly unlikely assumptions. That is why I knew that Dr. Betson would refuse to answer many of the questions. Thus, I was not at all surprised by Dr. Betson's refusal to answer the questions. I think he is fully aware that his model is based upon fraudulent assumptions. He is therefore forced to claim that it would take too long to answer the questions.**

**Q20:** At the meeting, you claimed that you had to make these assumptions to get the chart. However, it seems to me you could have easily combined various variables so you did not have to make these assumptions. So I am wondering why this was not done? I am also wondering if you could send me the data file and the statistical table used to make this chart on page 20?

**I am certain that Dr. Betson used a different data set to produce the graph on page 20. Had he sent this data set, my estimate is that it was based upon a sample of less than 1,000 families. Again, I knew he would refuse to answer this question as it would have exposed the extent to which he had manipulated the data in order to produce the graph. Dr. Betson's only choice was to claim it is "too hard" to answer these questions. Eventually, he will be forced to answer these questions and then we will see how close my estimates are.**

**Q21:** At the meeting you stated that the chart would have been the same had you used a different set of assumptions. So I am wondering if you can send me the statistical file, chart and figure using different assumptions, namely that both parents are working. After all, this is a far more common situation than the one you used and therefore the data file should have a much bigger sample size and therefore be more reliable. The child can be the same age, and both parents can still have a high school diploma. **There is no question that different assumptions will lead to a different graph than the graph on page 20. This question was simply intended to confirm that Dr. Betson had misled the work group at the November meeting. Once again, I was not expecting an answer to this question because to answer it would have exposed Betson's model to be a fraud.**

**Q22:** Going back to page 19, it appears as if one of the variables (a36to 45) which was the age used to build your model has been deleted from the table: Could you send me the table with this variable added back in?

**I simply wanted to compare the variation of age 36 to 45 to the variation of other ages to show that this age group had less variation and that is why Betson chose this age as simply one more step in Betson's data mining process. This question could have been answered in less than one minute from his existing data set.**

**Q23:** I assume that you have another table, like the table on page 19 only with the specific assumptions you used to build the graph on page 20. I am wondering if you can send me a copy of that table? **There is no question that different assumptions will lead to a different table. This question was simply intended to confirm that Dr. Betson had misled the work group at the November meeting. Once again, I was not expecting an answer to this question because to answer it would have exposed Betson's model to be a fraud.**

**Q24:** The following questions are about the 2005 Washington State PSI Report, Appendix 1-2, mainly dealing with the Table labeled as Exhibit 1-1. Looking at the second column, would you agree that all those "greater than 100%" amounts show that the CES survey was not accurate for amounts under \$40,000? **The answer is yes (the CEX is clearly not accurate for amounts under \$40,000). Ten seconds.**

**Q25:** Looking next at column F, percent of expenses devoted to child care, were the figures in this column determined using the data from all age groups, or are they based upon the 6 to 12 age group? Also was this estimate derived from the entire sample or only those families wherein the mother did not work? In other words, what were the assumptions used to make this estimate of child care costs and what was the total sample size for both the married couples with children and the married couples without children in each income bracket?

**With this question, I am simply trying to determine the method used and the assumptions made to determine the child care rate used by Dr. Betson. This requires no "additional work" as Betson claims. I merely want a couple of sentences saying how he arrived at his result. I think I know the answer, and I think it involved significant data mining. The reason I believe this is because Betson's estimated child care costs are radically different from all other studies I have seen on this subject. This is the real reason he refused to answer the question.**

**Q26:** Moving to column G, extra-ordinary medical costs, the table indicates that that your model assumes the child has health care costs of about 3%. However, the text below the chart multiplies this 3% by the estimated percentage of total child costs (26%), and thereby subtracts less than one percent from the total cost. Thus your model assumes that medical costs will be less than \$30 per month for a family making \$36,000 per year. Is that correct?

**The answer is yes. Ten seconds.**

**Q27:** But since these medical costs are outside of the table, if the actual cost for the child's medical insurance and other major medical expenses is \$250 per month (as is stated at the bottom of the page), then this represents about 8% of the combined monthly net income. Doesn't this mean that the NCP is being credited with an assumed expense of less than 1% to construct the Economic Table from which he must pay but then the NCP is being billed at an average rate of 8%?

**The answer is yes. Ten seconds.**

**Q28:** The final question has to do with the data in Exhibit 1-2 in the 2005 Washington PSI report, on Appendix page 1-5 entitled, "Updated Table of Support Proportions (Rothbarth Estimator): Each of the cells in this Table have two values. For example, the lower right hand cell (for six children and \$9,375 in monthly income) has an upper value of 28.77% and a lower value of 9.28%. I assume that the upper value is the value used to construct the proposed Economic Table. However, what is the lower value? I assume the lower value is the actual value derived from the data set. Is that correct?

**The answer is yes. Ten seconds.**

Thank you for your assistance in answering these questions. Please feel free to email me back if you would like clarification on any of these questions or if you have any questions for me. Regards, David Spring

Dr. Betson now claims that it would have taken him "a lot of work" to answer these questions. Yet most scientists these days have instant computer access to all this information just by clicking a few buttons on their lap top. So where is all the work? Even accepting his excuse for not wanting to release his data set, he could have at least answered the questions on sample size restrictions that did not require him to release his data, but merely to explain his method. Instead I got nothing but more deception and distortion. Thankfully, we no longer need any answers from Dr. Betson. His 1990 study and the 2004 Florida State study provided all the answers we will ever need. The 1990 Betson study confirmed that **the Betson Rothbarth method indeed fails to explain more than 8% of the variation in child spending** when the incomplete responders are included in the analysis. And the Florida State study confirmed that **Betson used a "per capita adjustment" to artificially raise child costs without any significant change in the underlying data.**

I am therefore confident that any fair reader of the Addendum will conclude that there is no justification for raising child support rates. So hopefully we can now move on to other more important matters or at the very least begin to negotiate the very well problems faced by parents after divorce so that we can improve the lives of children of divorce.

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